Daily Report

Latin America

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Ecuadoran Minister Pleased With Gaviria Victory

PA3003025194 Mexico City NOTIMEX in Spanish 2144 GMT 28 Mar 94

[Text] Quito, 28 Mar (NOTIMEX)—Ecuadoran Foreign Minister Diego Paredes expressed satisfaction today over the election of Colombian President Cesar Gaviria as OAS secretary general.

In a message issued at the OAS office in Washington, Paredes said he is "proud to have supported the Colombian president's candidacy, given the exceptional relationship between our two countries. We are proud because our support has been a demonstration and a reflection of the sentiments of affection the Ecuadoran people have toward Colombia and its president, Cesar Gaviria."

In February the government of Ecuadoran President Sixto Duran-Ballen announced its commitment to support the Costa Rican candidate, Foreign Minister Bernd Niehaus. Ecuador maintained its support for Costa Rica until a few days before the election. Last Friday [25 March] it changed its position in favor of the Colombian candidate, who was elected Sunday [27 March] with 20 votes. Niehaus received 14 votes.

In his message, Paredes also congratulated the Costa Rican candidate "for his lofty and dignified campaign." He said it was a pleasure for the Ecuadoran delegation to adhere to the expressions of affection and recognition of the work carried out by outgoing OAS Secretary General Joao Baena Soares, who has headed the organization for the past 10 years.

[Madrid EFE in Spanish at 2130 GMT on 28 March carries a report saying that "the Ecuadoran Government expressed surprise today over Colombia's economic measures against Ecuadoran exporters and stressed that the announcement was made when Ecuador 'gave its clear and definitive support to (Colombian) President Cesar Gaviria's candidacy for OAS secretary general.'"]

Honduran Minister Comments

PA2903124194 Panama City ACAN in Spanish 2007 GMT 28 Mar 94

[Text] Tegucigalpa, 28 Mar (ACAN-EFE)—Honduran Foreign Minister Ernesto Paz Aguilar today expressed his satisfaction with the election of Colombian President Cesar Gaviria as OAS secretary general.

Paz told Voz de Honduras radio station in a telephone interview from Washington that the nomination of Gaviria "we believe was the result of a democratic election in which the law of the majority prevailed, which is the fundamental law of democracy." "Gaviria won as a result, and we believe he is a hemispheric leader who will give proper leadership to the OAS," he said. The minister added that among the majority of the OAS member countries there is "satisfaction," but he also said "the feeling of bitterness, especially that of Costa Rican Foreign Minister Bernd Niehaus," is logical.

Niehaus made an intense but unfortunate effort because in democracy there is always a winner and a loser, according to Paz, who pointed out that Gaviria defeated the Costa Rican foreign minister in the first round 20 votes to 14.

Honduras' position on the election of the OAS secretary general was to support the Costa Rican candidate, Bernd Niehaus, in the first round and Gaviria in the second round. Paz Aguilar said that Honduras promised to support a Central American candidacy because it "respects the promises that were made;" however, he refused to comment on the change of heart of those who had pledged their support for Niehaus.

Cuba

Castro Attends CTC National Committee Plenum

FL2903232594 Havana Radio Reloj Network in Spanish 2032 GMT 29 Mar 94

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, is present at the plenum of the expanded national committee of the Cuban Workers Federation [CTC] being held in Havana. The meeting concludes the first phase of the workers parliaments process, which has been carried out successfully in all provinces. The plenum of the expanded national committee of the CTC is analyzing workers' suggestions regarding economic efficiency and the restructuring of internal finances.

The whole process of the workers parliaments represents a milestone in the political life of Cuban workers and demonstrates the profoundly socialistic nature of our working class.

CTC Analyzes Parliaments

FL3003031494 Havana Radio Rebelde Network in Spanish 0000 GMT 30 Mar 94

[Text] With the attendance of Commander in Chief Fidel Castro and the compiled results of the thousands of assemblies that gathered over 3 million workers at the parliaments in the work centers, the Cuban Workers Federation [CTC] is holding its expanded council for the preliminary analysis of this process described as unique for its [word indistinct] result. Those were the words of Commander in Chief Fidel Castro when he said that in no other country of the world has such a situation been discussed publicly. He said this process is unprecedented in the political history of the world. Castro added: We are the only brave ones who dare to do this and to [words indistinct] and discuss it in a way that could not be more open. That is the reason we must analyze these things before applying any measure; the situation is very complex, complicated even for specialists. Fidel went on to say: What would our position be if we had all the gas or coal we wanted? This is what forces us to seek other feasible means.

In evaluating the discussions of the work centers, Fidel said: The works in these parliaments suggested many wise and intelligent ideas. These meetings that were held for the very first time.

In his report to the national plenum of the CTC summing up the process of the parliaments in the work centers, Pedro Ross, secretary general of the CTC, pointed out that we have just begun and summarized the principal results of the assemblies.

Attending the plenum with Commander in Chief Fidel Castro are members of the Politburo of the Communist Party of Cuba, members of the Council of Ministers, and the Presidency of the National Assembly of the People's Government.

GRANMA Notes CTC Meeting, Zambian Official's Arrival

FL2903165294 Havana Radio Progreso Network in Spanish 1200 GMT 29 Mar 94

[From the review of the 29 March issue of GRANMA]

[Excerpt] Good morning to all our listeners. On its front page, GRANMA carries remarks by Pedro Ross Leal, who says the response to the Parliaments in the Workplace assemblies cannot be just explanations but must be solutions. These assemblies sum up the workers' political line and the spirit that must be implemented, said Ross Leal at the end of the provincial assessment of the recommendations that will be submitted to the National Assembly [of the People's Government] by the workers movement.

The national committee of the Cuban Workers Federation [CTC] will meet this afternoon to analyze the ensemble of proposals made by Cuban workers throughout the country.

Another GRANMA article reports that the Republic of Cuba will decorate a group of outstanding youngsters from throughout the nation. These young people will receive the Order of Julio Antonio Mella and the Abel Santamaria and Jose Antonio Echeverria medals. This activity is part of the homage paid on the 32d and 33d anniversaries, respectively, of the Union of Young Communists [UJC] and Jose Marti Pioneers Organization. This ceremony will be held in San Pedro, Havana Province, the place where Jose Marti died.

Also, the objective of the Zambian foreign minister's visit to our country at the invitation of his Cuban counterpart is to prepare the forthcoming visit to Cuba by Zambia's president and to develop ties of cooperation between the two countries. [passage omitted]

Russia Agrees To Trade Oil for Sugar

FL2903224394 Havana Radio Rebelde Network in Spanish 1800 GMT 29 Mar 94

[Text] The INTERFAX press agency reported today that the Russian Government has reduced the amount of oil earmarked for countries of the former Soviet Union in order to send it to Cuba. The source added that due to a request by the Russian Foreign Economic Relations Ministry, this year, 2.5 million tons of oil will be earmarked for Cuba in exchange for 1 million tons of sugar, which will serve partially to meet national needs.

On 24 December 1993 in Moscow, Russian and Cuban delegations agreed to exchange 2.5 million tons of petroleum for 1 million tons of sugar through a joint enterprise in charge of carrying out the transaction.

Meeting on Regional Integration Begins

FL2903222894 Havana Radio Rebelde Network in Spanish 1800 GMT 29 Mar 94

[Text] The second scientific meeting on Latin American integration called Inter-Lat-94 began today at the Cienfuegos Superior Technical Institute with the participation of approximately 100 delegates, among them Mexican and Ecuadoran guests.

At the opening session, Dr. Eduardo Cruz Gonzalez, dean of Cienfuegos University, said the objective of these meetings, the second of which is being held here in coordination with the Center for Research of World Economy, is to study how universities, in the midst of the difficulties daily affecting the world, can contribute to maintaining the concept of support to the integrationist process in America.

Several working groups are analyzing such topics as Latin American integration in history; the Latin American university in today's world; research on housing; and science, technology, and sustainable development. Two important seminars will close the international scientific research meeting on integration tomorrow.

Netherlands Explores Joint Business Ventures

FL3003014894 Havana Radio Rebelde Network in Spanish 0000 GMT 29 Mar 94

[Text] Last week, the Netherlands-Cuba workin[illegible]roup held its first plenary session. The business delegation, headed by (Coy Stork), was interested in contracting Cuban enterprises for research, coastal management and shoreline restoration in Cuba and the Caribbean, registration and joint operation of Cuban ships, construction in third countries, and joint productions in the machine tool, food, and textile industries. In exchange, the Netherlanders will supply canned milk, meat, fruit, and vegetables to Cuba.

In the 1994-95 work program, the group will promote possibilities for investment in Cuba and will support the efforts of Dutch enterprises established in Havana. The creation of joint enterprises and variants of associations of mutual benefit and the introduction of the scientific-technical, biotechnical, and pharmaceutical industries to the Netherlands market were additional aspects considered in the final document, which was signed by (Van Vough), head of the Dutch section, and Ariel Maso, director of (Cubanique) and head of the Cuban section at the meetings.

Ambassador to Spain Notes 'Growing Investments'

FL2903231994 Havana Radio Rebelde Network in Spanish 0000 GMT 29 Mar 94

[Text] Cuban Ambassador to Spain Rosario Navas Morata stated Spanish-Cuban relations are in good shape and enjoy favorable outlooks in several areas. The Cuban diplomat pointed out the fruits of Cuban Vice President Carlos Lage's visit to Madrid and his meeting with Spanish Prime Minister Felipe Gonzalez, Minister of Economics and Finance (Carlos Orchaga), and Foreign Minister Javier Solana.

Navas Morata also praised the growing investments of Spanish entrepreneurs in Cuba as well as the solidification of official relations with Galicia, Asturias, the Canary Islands, and Andalusia.

Preparations for Zambian President Visit Under Way

FL2903231894 Havana Radio Reloj Network in Spanish 2033 GMT 29 Mar 94

[Text] Zambian Foreign Minister Remmy Mushota stated Zambian President Frederick Chiluba will visit Cuba after the official preparations between the governments of the two states are finalized. The head of the Zambian diplomatic corps made the announcement at the conclusion of official conversations with his Cuban counterpart, Roberto Robaina, at the Ministry of Foreign Relations in Havana. Robaina told reporters that he and his Zambian counterpart discussed such topics of bilateral interest like public health, the sugar industry, and economic cooperation.

Remmy Mushota was also interested in learning of projects directed at young people. He will visit Santiago de Cuba where several Zambian students are studying under mutual agreements on education.

Delegation Explores Cooperation With Universities

FL3003030394 Havana Radio Rebelde Network in Spanish 0000 GMT 30 Mar 94

[Text] A Higher Institute of Agricultural and Animal Sciences of Havana delegation opened the doors to cooperation with Bolivia during a 10-day visit to Bolivia. The Cuban delegation met with authorities of the major state universities, with whom they established various projects of cooperation in the training of human resources, research, and development.

Jaime Crombet Returns From Paris IPU Conference

FL2903161994 Havana Radio Progreso Network in Spanish 1200 GMT 29 Mar 94

[Text] Jaime Crombet, head of the Cuban delegation to the 91st Inter-Parliamentary Union [IPU] conference and vice president of the National Assembly of the People's Government, returned to Cuba on 28 March. Upon arriving at Havana's international airport, Crombet evaluated that important international event.

[Begin Crombet recording] The 91st IPU conference held in Paris from 21 to 26 March was a big success.

There were more than 120 foreign parliamentary delegations from all over the world and more than 1,000 participants counting both senators and deputies, including a U.S. delegation. They arrived a little late but they did attend.

We can say that a complete consensus was reached regarding the environment and the dumping of toxic and dangerous wastes. Obviously, following the Rio de Janeiro summit where a universal consensus, an international awareness of the need to protect the environment was achieved, the whole world is engaged in adopting preventive measures against natural disasters and especially against the dumping of the most dangerous and toxic wastes.

A consensus was also reached regarding the control of nuclear weapons and the obligations of all countries, those that have signed the Nuclear Nonproliferation Treaty. This subject was added to the agenda; this was a subject that was added at the last minute to the initially prepared agenda, and a good document was issued on this matter.

The political situation throughout the world was also discussed, allowing each country to explain its domestic situation. Of course, Cuba also explained the situation in the country, the measures being adopted and the development of events, pointing out the main positions of other countries and stressing the main world events, such as the denunciations of the criminal U.S. blockade against our country. Also discussed was the role of the United Nations—as one of the main subjects of the conference—and regional organizations, the treatment of regional conflicts, and maintaining peace. Our delegation played a very active role in this connection.

Of course there were some contradictory positions. While certain delegations defended the limited sovereignty theory, others accepted the theory of humanitarian action without the previous consent of the parties. For us, this is a [word indistinct] principle, that is, the primary principle is that of nonintervention in the domestic affairs of other countries; therefore, the two parties' willingness to accept the intervention of UN forces is imperative, even though such intervention might fall under the veil of humanitarian action.

After strong confrontations, Cuba established its position, a position that was very clear, and also the need to democratize the United Nations and reform the UN Security Council based on the agreement of all the chiefs of state from the Americas and on the last summit, which was held in Salvador, Bahia [Brazil]. [end recording]

Lazo Chairs PCC Santiago Provincial Plenum

FL2903192494 Havana Radio Rebelde Network in Spanish 1000 GMT 29 Mar 94

[Text] The main agreement of the provincial plenum committee of the Communist Party of Cuba [PCC] in Santiago de Cuba has been able to achieve the maximum effort toward a good conclusion of the sugar harvest.

This meeting, which was chaired by Esteban Lazo Hernandez, Politburo member and first secretary of the PCC's Santiago de Cuba provincial committee, stressed the need to place greater emphasis on the harvest in order to conclude it in the first half of May. Thus, the essential objective is to stabilize the economy and to gain efficiency at the various plants. Plant production in several Santiago de Cuba agroindustrial complexes has been below the established plan.

New Agriculture Antitheft Measures Said Effective

FL2903173794 Havana Radio Progreso Network in Spanish 1200 GMT 29 Mar 94

["Second of a series of interviews" with Lieutenant Colonel (Octavio Geronez) of the Havana Province Ministry of the Interior Office by police reporter Alemany; place and date not given—recorded]

[Text] [Alemany] Despite the nation's resource limitations resulting from this special period, the Cuban Government is making tremendous efforts to harvest almost 3 million quintals of potatoes, cabbage, garlic, carrots, and other products. Special measures have been adopted in Havana Province to see that these products reach their destination, that is, the population. Thus, checkpoints have been created, and the trucks' itineraries are monitored. So far, these measures have yielded satisfactory results.

[(Geronez)] All these measures being adopted in the fields and in monitoring the trucks on their way to the wholesale markets have considerably reduced the diversion and illegal sell of agricultural products. We want to point out that last year, many trucks used to arrive at the markets and packing plants with great weight differences. They also used to have great document problems, problems that used to facilitate illegal activities, and these problems stem directly from illegal actions in the fields or while the trucks are circulating.

The practical effect of the checkpoints on the roads and the new measures we have taken to identify the itineraries has been to prevent the truckers from deviating from their itinerary to unload part of the cargo in some particular place or to sell these products to people who take advantage of these illegal actions to acquire a large amount of products so as to to then resell them.

[Alemany] According to Lt. Col. (Geronez), in 1993, these trucks used to arrive at the packing plants or wholesale markets showing a tremendous difference in weight.

[(Geronez)] I want to point out that last year, the difference in weight when these trucks arrived at the wholesale markets or packing plants was so great that we called them gross problems or gross differences. Now,

since 28 February when we began this harvest campaign, we have had no gross differences yet as regards the weight of the trucks. There are some problems with the documents, but after the investigations we conducted, we found out that these problems are not the result of attempted criminal actions but rather normal problems that sometimes occur, perhaps through ignorance or negligence on the part of certain colleagues or perhaps for certain other reasons, but they are not the result of evil intentions.

[Alemany] All the Interior Ministry's forces are participating in the struggle against the theft of agricultural products in Havana, and the population is supporting these measures. Government officials have also acted severely, to punish those conducting illegal business in agriculture with the force of the law.

[(Geronez)] Well, these measures have helped reduce theft considerably. Last year, during the first week of the campaign, the incidence of criminality in this connection and the number of people tried in the courts was high. This year we have conducted a great publicity campaign and people are aware of the measures we are adopting. Moreover, the criminals will be punished severely, especially for crimes involving these agricultural products, which are meant to provide relief for the nation and the population during the current crisis.

[Alemany] At the same time tomorrow, we will release the last part of the interview with Lt. Col. (Geronez) concerning the measures adopted to prevent the diverting and stealing of agricultural products in Havana Province.

Electric Union Repairs Breakdown at Power Plants

FL2903230494 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 29 Mar 94

[Text] Given this past weekend's severe outages, the Electric Union advises that efforts to repair breakdowns at several power plants had already solved some problems by Sunday evening. Breakdowns in the generating units of the Talla Piedra and Regla power plants in Havana City, the East Havana power plant in Santa Cruz del Norte, as well as the Maximo [words indistinct] fuel supply to the Diez de Octubre Power Plant in Camaguey caused the elevated deficits that affected the early morning hours of Saturday and Sunday. The Electric Union told us they will return to the regular schedule in each province once the generating level has been recovered.

Roundup of Economic Activity

FL2903225694

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 26 and 29 March.

Radio Rebelde at 1800 GMT on 26 March reports that Guantanamo Province has been one of the most outstanding provinces in harvest emulation during the period between 11 and 20 March. Guantanamo has been cited in 7 of the 14 aspects rated in the harvest emulation, and it also intends to increase sugar production and fulfill its plan.

In the same newscast, Radio Rebelde reports that approximately 13,000 low-cost houses will be built in Sancti Spiritus Province by 1996 using local resources. This will help triple the number of houses built per year in this province, which is experiencing a tremendous shortage of energy, cement, and steel. Approximately 2,000 houses are under construction, most in 40 high-priority zones.

Rebelde adds in the same newscast that the U.S. Conference of Catholic Bishops has donated 7 tons of medicines worth $2.5 million to Cuba.

Tele Rebelde and Cuba Vision at 0100 GMT on 28 March report that Camaguey canecutters are engaged in a campaign to increase production and efficiency. In 80 days they cut 2 million arrobas of cane and are talking about cutting another million, if necessary.

In the same newscast, Tele Rebelde and Cuba Vision report that as the water shortage continues, farmers are resorting to old techniques to provide water to their cattle. One said he is using a mule to draw water from a deep well for his milk cows because bringing in water tanks costs an arm and a leg.

Radio Rebelde at 1000 GMT on 28 March reports that a new system for selling medicines has been implemented with positive results in Holguin Province pharmacies. The pharmacies "have been linked" to polyclinics and assistance centers, and "pharmaceutical products that used to disappear off the shelves in a single day now last up to a month....Doctors at polyclinics and assistance centers now know daily what products are available."

In the same newscast, the radio reports that only 326 of the 6,751 pieces of medical equipment at Matanzas Province assistance centers are currently out of service because they are broken. This constitutes a praiseworthy achievement by the workers of the provincial electromedical technical services center.

Radio Progreso at 1200 GMT on 28 March reports that specialists and technicians from the Rayonitro enterprise in Matanzas are satisfactorily carrying out tests to obtain ammonium dicyanate,"a reagent that is of interest in producing meningitis vaccine." Rayonitro engineer Damaso Lopez said there is currently a plant that "facilitates production of carbon bisulphide, which is raw material for processing the reagent in question." Rayonitro can currently make, industrially, some 60 tons per year of carbon bisulphide, considerably reducing the amount Cuba has to import. "Carbon bisulphide is a dense, transparent, very volatile liquid. Its cost on the world market is between $2,000 and 2,500 per ton, while

by employing the Matanzas technology, its use is facilitated at a cost of just 500 pesos the ton."

Radio Rebelde at 1800 GMT on 28 March reports that the oilworkers of Ciego de Avila Province met 105 percent of their plan for the extraction of crude oil for the first quarter of 1994 by extracting 17,373 tons before the deadline. They also drilled 5,005 meters instead of the 2,520 established in their drilling program.

In the same newscast, Radio Rebelde reports that over the past two years, 60 caballerias of cacao have been planted with hybrid seeds that have a high genetic potential and are resistant to environmental adversity. The seeds were produced by the cacao research station located in Baracoa Municipality, Guantanamo Province, the municipality that produces the greatest number of seeds from plants resistant to pests, disease, and bad weather. Guantanamo Province produces close to 80 percent of the national cacao crop of between 35,000 and 45,000 quintals yearly.

Cuba Vision at 2320 GMT on 28 March reports that tobacco enterprises in Pinar del Rio are picking the capa dura leaves which are normally discarded during the harvest. They plan to use these leaves in domestic cigarettes and cigars.

Radio Rebelde at 1000 GMT on 29 March reports that up to 26 March, the sugar agroindustry had planted 2,740 caballerias of sugarcane, 80 percent of the amount scheduled for planting by the end of this month. The provinces of Camaguey, Havana, Matanzas, Cienfuegos, and Guantanamo are outstanding in this activity.

Radio Reloj at 1500 GMT on 29 March reports that the (Juan Jose Berdesi) and Jose Maria Perez brigades have cut 2 million arrobas of sugarcane, becoming the first to reach this amount during the current harvest in Santiago de Cuba Province.

Radio Reloj at 2057 GMT on 29 March reports that 1 million quintals of potatoes have been harvested in Havana Province.

Radio Rebelde at 1800 GMT on 29 March reports that a fish farm in Los Palacios Municipality has successfully bred a Chinese variety known as the (fenca china). In the first tests in 10 ponds, 6 million eggs were obtained, of which 4.2 million hatched. Radio Rebelde also reports that 46 quintals of sunflower seeds have been harvested in Cienfuegos to produce cooking oil.

Commentary Views Aftermath of Colosio Murder

PA2903163994 Havana Radio Havana Cuba in Spanish 0100 GMT 26 Mar 94

["Our America" commentary by Manolo Ortega from the "Evening Information Review" newscast]

[Text] The shots that ended the life of Luis Donaldo Colosio, presidential candidate of the Institutional Revolutionary Party [PRI] in Mexico, thwarted the plans of a young politician who—everything seems to indicate—did not randomly select the poorest neighborhood in the border city of Tijuana to stage a political event in which he would explain his main government proposals. No one will ever be able to criticize or applaud Colosio in the future because no one will know if the words which were virtually his last might have come true: "I want to be president because I want to support the most needy in my country."

Thus far, while the incredible and forever debatable theory of a lone assassin makes the rounds, Colosio's death has upset Mexico's political panorama, cast a gloomy shadow over Carlos Salinas de Gortari's administration, and created uncertainty regarding who will be the next presidential candidate for the party that has been in power for more than 50 years in Mexico.

The assassination has shocked the entire world but it has devastated Mexico because, emotions aside, it has created an air of instability with regard to the 21 August elections when approximately 50 million Mexicans will elect a new president under turbulent social conditions.

Carefully selected, Colosio graduated in 1972 from the Monterrey Technological Institute and studied regional development and urban economy at the post-graduate level at the University of Pennsylvania. He was an academic researcher in Austria and in Mexico he taught classes at several institutions. After Carlos Salinas de Gortari took office, Colosio was appointed president of the PRI, thus becoming one of the party's youngest leaders. Colosio was also a senator for Sonora State, secretary of urban development and ecology, and later secretary of social development, the post he held until he was appointed PRI presidential candidate in November, 1993.

Colosio's campaign encountered no problems at the outset but following the Zapatist National Liberation Army's uprising on New Year's day, he was widely criticized by the opposition and factions in his own party for his alleged failure to speak out against the crisis and because his team of advisers was perceived as weak. It has always been said that Manuel Camacho Solis, a former Federal District mayor and former foreign minister, was Colosio's chief rival. Quite recently, however, Camacho publicly relinquished his presidential ambitions, which is why the slain PRI candidate seemed to have a clear path to the presidency unless another party won.

The dramatic void created by Colosio's death has the PRI in suspense because it must appoint a new presidential candidate. Many people have mentioned Ernesto Zedillo as a possible candidate—totally dismissing Camacho Solis—a former education minister, a brilliant economist, and also a former budget minister, [the latter] a position that had been held by Mexico's last two presidents, Miguel de la Madrid and Carlos Salinas de Gortari prior to their election. Nevertheless, some analysts believe Zedillo is not the politician the PRI needs at

this time; they need someone who is capable of dealing with a growing wave of popular discontent as well as with the as yet unresolved conflict in the southern State of Chiapas.

Colosio's assassination took place on the very day the Mexican Senate approved legislative reforms aimed at making the election process more honest. The reforms in question resulted from a strong political struggle to make the elections as impartial as possible, especially in view of the political tension experienced in Mexico during past presidential elections.

The PRI is in need of a new party spirit, new work methods, and less bureaucracy. Colosio once said it should keep the people at the core of its decisions, which should not be made from behind a desk. If the armed uprising in Chiapas prompted a radical change in Mexico, the assassination of the PRI presidential candidate creates renewed uncertainty and expectations which will not be easy to fulfill.

Haiti

Armed Forces Warn Against Creating 'Insecurity'

FL2903205494 Port-au-Prince Radio Tropic FM in French 1400 GMT 29 Mar 94

[Text] We read in a press release: Since one of the missions of the military institution is to protect the lives and property of all, Haitian nationals and foreigners alike, the General Headquarters of the Haitian Armed Forces warns all those who think they can, through their actions, create a climate of insecurity to unavowed ends.

Once again, the General Headquarters urges all the nation's sons to work so together we can maintain the atmosphere of peace and unity that all of us need to encourage the process of national reconciliation.

Three FNCD Deputies Decline U.S. Envoy's Invitation

FL2903211394 Port-au-Prince Signal FM Radio in French 1130 GMT 29 Mar 94

[Text] Deputies Joseph Fignole Jean-Louis, Duckens Marc Desrosiers, and Guerrier Compere have written to U.S. Ambassador William Lacy Swing. Here is what their letter says:

We, deputies of the 45th Legislature and signers of this letter, acknowledge receiving your invitation asking us to join you at your residence on 29 March to commemorate the anniversary of the Haitian Constitution, under which we were democratically elected on 16 December 1990 and 20 January 1991 [date as heard] and which we swore to respect and to enforce.

These deputies add: We formally acknowledge this initiative. Unfortunately, we are sorry, but we are obliged to decline your invitation for the following reasons: First, the tragic conditions under which our people are struggling (?because of) the daily violation of this Constitution and its basic rights do not encourage us to party.

In addition to this, we would like to be in our respective districts, with our voters on the occasion of 29 March. The authors of the bloody 30 September 1991 coup d'etat, however, block any and all steps in this direction with impunity and leave the population no choice other than headlong flight by thousands of boat people, turned back mercilessly regardless of any international treaties; the wandering of hundreds of thousands of refugees in desperate straits from the interior; and the most complete lack of security, highlighted every day by the bodies thrown to the animals, especially in the shantytowns and working-class neighborhoods of our cities, write these deputies.

On the other hand, we make it a point to assure you, Mr. Ambassador, that any invitations that could result in a worthwhile solution to the current crisis that has caused so many disasters and so much mourning will be received eagerly and with gratitude. While waiting for such a greatly desired occasion to arise, we remain, yours truly, [signatures].

Such was the content of a letter written by Deputies Fignole Jean-Louis of the Mirebalais district; Duckens Marc Desrosiers, of Hinche; and Guerrier Compere, of Limonade, and sent to U.S. Ambassador William Lacy Swing.

These are three National Front for Change and Democracy parliamentarians who have declined the U.S. ambassador's invitation to attend the anniversary of the Haitian Constitution commemoration by the U.S. Embassy in Port-au-Prince. It must also be said that Alliance [for Parliamentary Cohesion] senators have also declined Ambassador Swing's invitation in Port-au-Prince.

PRI Announces Zedillo's Candidacy

PA2903185594 Mexico City XEW Television Network in Spanish 1815 GMT 29 Mar 94

[Statement by Fernando Ortiz Arana, president of the National Executive Committee of the Mexican Institutional Revolutionary Party, at the party headquarters in Mexico City—live]

[Text] Ladies and gentlemen: Today, Tuesday, 29 March 1994, I have summoned the CEN [National Executive Committee] of the PRI [Institutional Revolutionary Party] in order to appoint our party's candidate for the Presidency of the republic. We do this by virtue of the powers granted to the CEN in Article 159 of our statutes and by the powers granted to political parties in Article 41 of the Political Constitution of the United States of Mexico.

We are gathered here today, united in the purpose of giving continuity and validity to the postulates of the Mexican Revolution. We are gathered here today, deeply moved and aware of our responsibility to Mexico.

At this time, we are strengthened by Luis Donaldo Colosio's undying course of action. Attentive to the Mexico he saw, deeply convinced of the reason as well as the political and human validity of the ideals he offered the nation, PRI members must continue along the path he outlined for us with his thoughts and example.

All of Mexico is in mourning and PRI members are offended. This ideological and political legacy, however, is also a commitment for undertaking new tasks. In the PRI, we must continue with his campaign for the sake of democracy and social justice, our party's slogans which Luis Donaldo gave new meaning and deep projections.

The National Executive Committee unanimously appoints our companion and friend, Ernesto Zedillo Ponce de Leon, as the PRI candidate for the presidency of the republic. [applause]

Ernesto Zedillo is a great member of our party. He is well acquainted with Luis Donaldo Colosio's thinking, a politician committed to the theories and principles of our party and to this campaign's political platform.

Ernesto Zedillo is the best man we have to lead the PRI's efforts to win the elections on 21 August. This appointment is also fully supported by our governors and by members of our party in the country's many states. They joined the CEN in signing this appointment. We are convinced that Ernesto Zedillo is the best member of the PRI; he is the person to whom Luis Donaldo Colosio entrusted the coordination of his campaign.

We, the members of the CEN, are certain that Ernesto Zedillo has the boldness and conviction to continue on the path that Luis Donaldo Colosio initiated. As I stand before the general public and our party members, I wish to reaffirm the ideals and positions [banderas] the party is raising in this campaign. The profound injustice that has caused Luis Donaldo Colosio to disappear from our midst cannot be tolerated, nor, unfortunately, can it be repaired. The proposal he set forth to the Mexican people, however, remains alive.

Today, PRI members entrust to Ernesto Zedillo the leadership of the PRI's efforts in the electoral race. If the Mexican people freely and sovereignly so decide, the PRI's national ideals, Colosio's pledges, his plans, and the services he rendered to the Mexican people will become law and a way of government. We know that the future of the fatherland demands unity, devotion, and loyalty.

The PRI is hereby resuming its campaign to win the people's vote of conviction. It is resuming its campaign for change with responsibility and direction. The PRI is resuming its campaign for democracy and social justice. We are going for victory and the progress the Mexican people are demanding; we are going for the democracy that all Mexicans hope for; we are going for victory with Ernesto Zedillo. A united PRI will confirm that it has the strength to conquer, to win by convincing society, to fulfill the national plan the Mexican people want. Let us achieve victory, united and strong with Ernesto Zedillo Ponce de Leon. [applause]

Zedillo Accepts Nomination

PA2903194194 Mexico City XEW Television Network in Spanish 1833 GMT 29 Mar 94

[Speech by Ernesto Zedillo Ponce de Leon, presidential candidate for the Mexican Institutional Revolutionary Party, at the party's national headquarters in Mexico City—live]

[Text] Companion and friend, Fernando Ortiz Arana, distinguished president of the National Executive Committee [CEN] of our party, the PRI [Institutional Revolutionary Party]; sector leaders; members of the CEN; governors of the states in the republic; PRI members, all convinced of our victory:

With mournful spirit, but with my deepest determination and with my most sincere humility, I accept the serious responsibility that the CEN of our party grants to me. I accept it fully aware of the fact that the best man to take the PRI to victory and the country to fulfill its aspirations was, at all times, Luis Donaldo Colosio. [applause]

With him, we Mexicans were preparing to consolidate and extend the historic work of modernization begun by President Carlos Salinas de Gortari. [applause] Luis Donaldo Colosio had built genuine leadership in our party, and his message of hope was already in the hearts of all Mexicans, in all corners of the fatherland. Luis Donaldo Colosio was a good, self-made man who formed an exemplary family and knew how to earn the respect and appreciation of his fellow party members and of everyone who knew him. Luis Donaldo Colosio represented for Mexico the certainty of a future he dreamt

about and those of us who dreamt with him. Luis Donaldo Colosio was the best man for Mexico.

I accept this responsibility knowing that we PRI members will not begin a campaign; we will continue the campaign. We know PRI members already have an exact diagnosis for the national problems, which was prepared by the foresight of Luis Donaldo Colosio. We know we PRI members already have a political offer that goes beyond any other, as far as popular support and shared purposes are concerned. Luis Donaldo promised to build the best electoral proposal and to take it to the citizens. Luis Donaldo kept his promise.

That is Luis Donaldo Colosio's generous legacy. In this legacy, the members of the PRI and all Mexicans will find guiding principles, a political platform, programmatic proposals, slogans, and goals. We will honor the legacy of what Luis Donaldo Colosio heard from our fellow Mexicans, of what Luis Donaldo Colosio learned from his coexistence with men, women, and children throughout the country. This legacy is what Luis Donaldo Colosio characterized as a political strategy after listening to the Mexican people's voices and after pledging to heed those voices.

Luis Donaldo Colosio always pledged to listen to and heed the people, and it is our duty to honor his convictions, display his causes, and fulfill his goals. At this hour, before those who shared Luis Donaldo's ideals and work, before our party comrades and all Mexicans, I reaffirm my unequivocal conviction that respect for the Constitution of the republic is our best political weapon.

I firmly believe that the political Constitution sums up the Mexican people's struggles and that from it flow the ideals that we share. The Constitution contains the principles that allow the state to deal with economic, social, and political problems, leaving in its solutions the traces of our identity as a nation. The Constitution goes beyond the juridical sense of its precepts to become an expression of our history. That is why I believe respect for the Constitution is a condition for preserving sovereignty and ensuring the free and civilized coexistence of a nation like ours which is rich in its plurality.

As a Mexican and as a PRI member, I believe the enforcement of the de jure state sums up the people's mandate. Thus, we must all respect its institutions, adhere to its legal instruments, and obey its ordinances.

Scarcely a few days ago, only a few steps away from here, Luis Donaldo Colosio invoked Benito Juarez's thoughts; the lessons learned from his work, from his great passion for Mexico, his struggle for national sovereignty, and his concept of the law as something most sacred. To live in a de jure state is to live with security, to have confidence and to settle our differences peacefully and with equality of rights. The enforcement of the de jure state is possible only if justice prevails above all else. The de jure state and the imparting of justice are inseparable.

Injustice and insecurity disrupt the state of law and hinder the participation and activities of the citizens. Consequently, I add my voice to the clamor of my fellow party members and the demand of society at large: We demand that the crime that took the life of Luis Donaldo Colosio be completely clarified. [applause] This is an indispensable step for restoring the public security that all Mexicans deserve and for restoring public belief in the administration of justice. This is a human, social, and party demand that is necessary for the health of the republic. Every single Mexican is demanding justice.

Before my fellow party members, today I reaffirm my PRI conviction. The PRI always has been and will continue to be the party of Mexico's sovereignty and independence; the party of the Mexican people's historic struggles and popular causes; the party of hope and trust; the party of the majority and of progress. This is why the PRI chose Luis Donaldo Colosio as its candidate to the presidency of the Republic.

In Luis Donaldo Colosio, we of the PRI had someone to bear the standard of our ideals and aspirations, to defend our values and principles, and to promote equality, welfare, and justice. He was the standard bearer of a party that came from the widest breadth of society and from the very depths of our history; a party that has contributed decisively to building a strong and stable nation; a party that has promoted the modernization of the past few years; a party that is deeply committed to democracy; a party that knows how to earn its legitimacy and win over the majority with daily actions, by identifying with the people, and with the work of all of its members.

The PRI made Luis Donaldo Colosio its candidate because he represented the consolidation of stability and internal peace, of economic growth and the multiplication of opportunities. Thanks to the boost given by Luis Donaldo Colosio, the PRI is marching toward a new stage in the political transformation of Mexico; toward a party that is fully prepared for political competition; a party that can struggle within the law, in a clean and correct manner, for each vote and for each victory.

The great work done by Luis Donaldo Colosio in the PRI was permanently inspired by his deep democratic convictions. Luis Donaldo promoted democracy in all the spheres of political life. Consequently, Luis Donaldo yearned for clearly democratic elections and for regulations that would grant full autonomy to and secure the impartiality of our electoral organizations. That is why he worked hard for the agreement for peace, democracy, and justice, and promoted consensus-building with other parties—something that was unprecedented in Mexico's political history.

He was always the first one to seek confidence, trust, regularity, and clarity in the electoral process. Luis Donaldo Colosio knew that the building of democracy is a permanent task that requires everyone's participation. Democracy requires a continuous effort, based on a

genuinely shared desire to always advance, always improve, and always struggle for the purest values of political life until the democratic aspiration of all Mexicans are fully realized.

In the past few months, Luis Donaldo Colosio toured the country, visited communities, approached families, and made the people's just and old demands, as well as old wrongs, his own. This is the Mexico that penetrated his conscience, the one that guided his campaign, and inspired his platform. This Mexico would take him to victory because he identified himself with the workers who demand well paid jobs, training, and ample social security for their families. In this Mexico, he identified himself with the poor peasants, who struggle so their productive capacity can make the rural medium play a decisive role in the country's progress. In this Mexico, Colosio testified about the cohesion and millenial identities of the Indian communities, which demand justice in exchange for believing and participating in the new greatness of their land. In this Mexico, Colosio reasserted his respect for Mexican women's equal rights and the place they deserve in the construction of the Mexican nation's future. In this Mexico, Colosio saw and understood the young people, who demand a quality education and opportunities to apply their energy, talents, eagerness, and uprightness to the work at hand. For all of them, Colosio represented true hope, a hope to participate, a chance to work and prosper.

For this reason, the PRI affirmed itself as the party of the majority through Colosio. And Colosio's party will continue to be the party of the majority because it offers changes with responsibility, a course for progress, welfare with instability. Colosio's leadership made the PRI the party of democratic transformation. Colosio called for reforming power. We of the PRI will abide by his words. We will reinforce the balance between the government branches by expanding the authority of the Legislative Branch and strengthening the agencies in charge of the administration of justice based on universal principles and precepts in agreement with our progress as a nation. We will reform power by strengthening federalism as an essential principle of the republican pact in recognition of municipal freedom and the dignity of each community and individual.

We will reach the end of this century with a stronger economy, in which stability and growth are based on healthy finances, competitiveness, and modernization. The role to be played by this economic progress should be family welfare, a fair distribution of wealth, and, in particular, a direct attack on poverty, which affects many, many millions of Mexicans. We will build a Mexico in which each man and woman can develop his or her capabilities and potential, where workers, peasants, professionals, teachers, employees, students, and entrepreneurs can share the hope and stimulus of contributing their efforts to participate in progress.

Fellow countrymen, we, the Mexican people, are living in a time that demands national unity. This is everyone's feeling. Today, tragedy has cast our party into mourning. All of Mexico shares our grief and a feeling of the offense inflicted. Throughout our history, every test and every demand of fate has been overcome by the unity of the Mexican people. When this did not happened, the homeland suffered the most. At present, we should extract from the tragedy a lesson of unity, strength in diversity, honesty in political struggle, a brother's respect for one another, and political civility. National unity will make it possible for us to advance with self-confidence, along a well-defined course, and with the determined participation of everyone.

The same way we PRI members have always called for national unity, today I call on my fellow party members to redouble the PRI's unity. Let us continue the task initiated by Luis Donaldo Colosio by carrying out our tasks, invigorating our organization, working and participating with enthusiasm in all the trenches our party offers us.

This is why, as a PRI member, as a Colosioist, I call on the party's rank and file, its organizations, its leaders, and all its members to close ranks around the ideals, programs, and actions that Luis Donaldo Colosio left us.

Upon accepting the responsibility that my fellow party members grant me, I am supported by the conviction that every woman and every man, each young or mature party member, has a place and a duty. The PRI is not an exclusive party; this is why it assembles the majority. PRI members can have the certainty that our party, your party, will continue to be the political institution that will give way to their aspirations, to their fighting spirit, to their desire for participation and progress.

Today all PRI members have a mission: To take Luis Donaldo Colosio's program to electoral victory; make reality the promise of that future, of well-being, equality, and justice for which he offered his life. We must fulfill our duty and our responsibility. I know that in this great task that awaits us, I will be able to count on the support and the work of each and every party member. I base my acceptance of the PRI presidential candidacy on this. Long live Colosio [shouts of vivas]; long live the PRI [shouts of vivas]; long live Mexico [shouts of vivas]. [applause]

PRI Leaders Endorse Candidacy

PA3003023494 Mexico City Radio ACIR Network in Spanish 0103 GMT 30 Mar 94

[Report by Rosie Ahuactzin from the "Radio ACIR News" newscast]

[Text] Pedro Aspe Armella, secretary of finance and public credit, was one of the first to congratulate the PRI [Institutional Revolutionary Party] presidential candidate, like he did last 28 November 1993. After greeting Zedillo and wishing him success in his campaign for the Presidency, Aspe Armella noted that if in fact it is a day of mourning, it must also be a day of hope. Aspe Armella

asked reporters to let him make some statements. He said he had the privilege of working with Ernesto Zedillo Ponce de Leon in different areas for several years, adding that Zedillo is a man with great talent, an intelligent, honorable, decent man, and a man who knows perfectly well the program of Luis Donaldo Colosio.

The secretary of finance and public credit had to wait in line like other people who were at the PRI headquarters to greet candidate Ernesto Zedillo Ponce de Leon. Fernando Solana Morales, secretary of public education, was also there. He said that after leaving the Secretariat of Public Education, Zedillo was fully devoted to Luis Donaldo Colosio's candidacy, adding that this is a guarantee he is a unity candidate.

Emilio Lozoya Thalmann, secretary of energy, mines, and parastate industry, was also there. He, like his fellow party members, rallied for unity and solidarity behind Ernesto Zedillo Ponce de Leon.

Regrettably, the Zedillo's speech to the members of the Political Council and the National Executive Committee was not heard by the first groups of supporters who arrived at the PRI headquarters to express their support for the nominated candidate. There were groups of [words indistinct] small businessmen of the State of Mexico and the Federal District.

Guillermina Rico, leader the former street vendors, was among the first to greet Zedillo. Zedillo's speech lasted nearly 20 minutes, but some people did not hear it. Outside, calls of Colosio, Colosio, could be heard. People outside then learned from media representatives that the announcement had been made official. People then asked for Zedillo come out to the plaza so they could see his face. Some people said they wanted to see and hear the candidate live and not on television.

After this official announcement was made, a master of ceremonies presided over the salutation ceremony. Curiously, this greeting did not take place outside the PRI headquarters but inside a room of the PRI offices. Many people, including secretaries of state, waited in line to enter the building. Genaro Borrego Estrada, director of the Mexican Social Security Institute, was also there.

Security around the candidate was tight. A metal fence was placed outside to avoid overcrowding. During the reception, those who wanted to shake hands with candidate Zedillo proceeded in an orderly manner. At the end of the reception, which lasted approximately two hours until 1500, Zedillo went up to his office on the second floor of Building Two of the PRI National Headquarters and that was the end of it. Then the people who stood outside the PRI office walked away peacefully. The PRI is in mourning, but, like Aspe Armella said, it has new hope in Ernesto Zedillo Ponce de Leon.

Governors, Labor Leaders on Zedillo Nomination

PA30C3033394 Mexico City Radio ACIR Network in Spanish 0000 GMT 30 Mar 94

[Report by Jose Luis Armente from the "Radio ACIR News" newscast]

[Text] Ernesto Zedillo Ponce de Leon's nomination as the presidential candidate for the PRI [Institutional Revolutionary Party] will guarantee unity in that party, and it represents a clear continuity of the project promoted by the late Luis Donaldo Colosio. State governors agreed with this opinion.

The state leaders attended a PRI national dinner to voice their full support for the candidacy of Zedillo Ponce de Leon. They said he was unanimously nominated and that their goal will be victory on 21 August as was the goal under the leadership of Luis Donaldo Colosio.

Jalisco State Governor Carlos Rivera Acedes described the decision by the national PRI leadership to nominate Ernesto Zedillo Ponce de Leon as important.

[Begin recording] [Rivera] I think it was important for the National Executive Committee to make this decision. As our candidate Ernesto Zedillo, we too must continue Colosio's campaign and carry on with Colosio's platform. I am sure all PRI members will unite around our party and our candidate Zedillo, and will work intensely to ensure that Colosio's platform is carried on.

[Unidentified reporter] Is there merit to [words indistinct] 6 May speech to separate the PRI from the government?

[Rivera] Yes, I think that this is definitely one of the principles that should be reinforced.

[Reporter] Is Zedillo the most capable?

[Rivera] At this time, he is not only the most capable but a person who was close to Colosio. He knew well the principles that candidate Colosio was promoting. [end recording]

Guerrero State Governor Ruben Figueroa said Zedillo is a guarantee for victory. He added that Zedillo is as strong and vigorous a horse as Luis Donaldo Colosio Murrieta was. Meanwhile, Maximiliano Silerio Esparza [not further identified] assured that the figure of Luis Donaldo Colosio will help the new campaign for the Presidency. Esparza added that he knew Colosio well, worked very closely with him, and that he has all the respect in the world for the person who was once his party's presidential candidate. He said there will be a very profound campaign and added that he is sure that Colosio will continue helping PRI in this new phase of the presidential campaign.

Meanwhile, Puebla State Governor Manuel Bartlett Diaz said a consultation process took place before Zedillo was nominated. He pointed out that Ernesto Zedillo Ponce de Leon was nominated by generalized

consensus. Veracruz State Governor Patricio Chirinos reaffirmed what Bartlett said. He pointed out that Zedillo is a unity candidate. Quintana Roo Governor Mario Villanueva, Morelos Governor Antonio Riva Palacios, Campeche Governor (Jorge Salomon Asad), Tamaulipas Governor Manuel Cabazos, Oaxaca Governor (Diegoro Carrasco), Sonora Governor [name indistinct], and Tlaxcala Governor Antonio Alvarez Lima, among others, made similar statements. The governors were pleased. They agreed that Zedillo's nomination is a logical decision for the campaign strategy.

Mario Moya Palencia, former government secretary and current coordinator of the PRI Ideology Commission, pointed out that within the PRI there are no groups disputing power. Proof of this, he added, is that the PRI was able to nominate a replacement, Ernesto Zedillo Ponce de Leon, six days after the death of Luis Donaldo Colosio. Moya Palencia described Zedillo as a politician with technical abilities; a man of humble origins who will win the trust of Mexico and the international community. He said that the presidential candidacy of Zedillo will face some risks but they can be overcome.

[Begin Moya recording] Presidential candidates run risks. A crazy person could now say let us avenge Colosio by killing another candidate. That is the danger of a violent atmosphere. I think that all of us, especially those involved with the media, must contribute to preventing the emergence of an atmosphere of distrust, violence, and support for armed solutions. [end recording]

Mario Moya Palencia also admitted that there will no longer be easy campaigns in Mexico. He pointed out, however, that the historical, sentimental, political, and leadership legacy of Luis Donaldo Colosio will join Zedillo's campaign.

Meanwhile, the PRI labor and peasant sectors pointed out that they have adapted to their party's decision and have voiced with discipline their full support for the presidential candidacy of Ernesto Zedillo Ponce de Leon. CTM [Confederation of Mexican Workers] President Fidel Velasquez and National Peasant Confederation leader Hugo Andres Araujo agreed that the candidate who replaces Colosio guarantees PRI unity and that PRI will triumph on 21 August.

Araujo added that Zedillo is a courageous and energetic PRI member who has a great willingness to continue the ideological project of Luis Donaldo Colosio. Velasquez agreed with Araujo. He said that for the organized labor movement Zedillo represents continuity of Colosio's ideas. The CTM leader added that, like Colosio, Zedillo will be the candidate of the country's working class.

These were some of the reactions given at the PRI National Headquarters after the PRI national leadership nominated Ernesto Zedillo as their presidential candidate.

Report on Camacho Solis Letter to PRI Candidate

PA3003035494 Mexico City Radio ACIR Network in Spanish 0108 GMT 30 Mar 94

[From the "ACIR Radio News" newscast]

[Text] Manuel Camacho Solis, commissioner for peace and reconciliation in Chiapas and former presidential hopeful—even before the nomination of Luis Donaldo Colosio—has sent a letter to Ernesto Zedillo Ponce de Leon, the new PRI [Institutional Revolutionary Party] presidential candidate. Camacho Solis sent this letter on his personal letterhead. The letter reads as follows:

The 1993, 1994, and current political options are similar. We need to have stability and peace for Mexico to have progress, justice, financial stability, and democracy. The options for achieving this stability will determine our political future. First of all, we might fall prey to the illusion that the fastest way to guarantee order is through the display of hatred, exclusion, intolerance, and rejection of disparate views. On the contrary, we could, from a profound and serene recognition of the source of the problems, the aspirations of society, and an appropriate perception of the nature of the conflicts, reach the conclusion that such a climate of stability and peace will only arise from respecting individual and human rights, and that in order to produce it we need to garner the initiatives of nongovernment and civic organizations, respect freedom of expression, and accept disparate views.

Stability requires the strict implementation of the law, not only to control society but also to impose limits on state actions. This is required in any democratic and free nation. There is increasingly less and less time and room to attempt to find a balance by separately taking parts of one political trend or another. Faced with the facts, we must wield our options.

Manuel Camacho Solis tells Zedillo Ponce de Leon: Your responsibility is a very serious one. I urge you to use all your intelligence, honesty, and patriotism to place yourself above any interests and to focus your initiatives on the path of peace, justice, and democracy. It is necessary to consolidate the PRI candidacy to prevent the national situation from worsening. You have and will have my support as long as a republican and democratic government plan is being implemented. The democratic option requires national unity; unity that involves all the political forces and citizens that strive to build a more just Mexico.

Signed: Manuel Camacho Solis

Candidate Zedillo's Professional Career Reviewed

PA2903194494 Mexico City NOTIMEX in Spanish 1815 GMT 29 Mar 94

[Text] Mexico City, 29 Mar (NOTIMEX)— Today, the Institutional Revolutionary Party's [PRI] National Political Council designated Ernesto Zedillo Ponce de Leon

as its new candidate for president. Zedillo Ponce de Leon was born in Mexico City on 27 December 1951. He is the son of Rodolfo Zedillo Castillo and Martha Alicia Ponce de Leon. He is the second of six brothers, after Luis. Following him came Guadalupe, Lorena, Veronica, and Rodolfo. He is married to Nilda Patricia Velasco Nunez and is the father of five children: Ernesto, Emiliano, Carlos, Nilda Patricia, and Rodrigo.

Zedillo holds a B.S. degree from the National Politechnical Institute's Higher School of Economy, where he studied from 1969-72. He also studied economics at the University of Colorado in 1974. He received a master's degree and a doctoral degree in economics from Yale University, which he attended from 1974-78. His doctoral thesis was entitled: "External Public Indebtedness in Mexico: Recent History and Future Oil Bounded Optical Growth." [thesis title as received in English]

He worked as an economic researcher in the Secretariat of the Presidency's National Directorate for Economic and Social Programming from 1971-74, as an economist with the Bank of Mexico from 1978-82, and as deputy manager for economic and financial research in the same bank in 1982. He was secretary for programming and budget from 1988-92. In 1992, he was named secretary for public education, a post from which he resigned on 29 November 1993 in order to join the campaign of the now deceased PRI candidate Luis Donaldo Colosio.

He was a professor at the Colegio de Mexico from 1981-83. He distinguished himself with his economic studies, which in turn led to his appointment as secretary for programming and budget. He outlined the National Development Plan, which has led to important political, economic, and social changes during the government of President Carlos Salinas de Gortari. With the motto "Planning Is Prevention," Zedillo outlined the government strategies established since 1988 to date and within whose framework the government drafted programs to lower inflation by reducing spending, resuming growth, and attaining steady progress in the economic recovery.

As the person responsible for the proposals dealing with 1989, 1990, and 1991 disbursements, he appeared before the Chamber of Deputies and corresponding commissions on several occasions, where he mounted an imprtant defense of the budgets and the National Solidarity Program. Zedillo also participated in laying the groundwork for the national agreements on the country's modernization, which led to an increase in several special allocations for agriculture and education.

While he was secretary for programming and budget, Zedillo pursued dialogue, negotiation, and harmony with all governors, including those in opposition. Later, when he was secretary for public education, he subscribed to the thesis that "the higher the education, the greater the wealth," which held that the country's modernization was not just "fashionable" but an essential requirement in raising the country to the level of advanced countries with an eye on the 21st Century. In this context, he negotiated and secured approval for changes to Article 3 of the Constitution. He had the Congress approve a new General Education Law as an essential measure in meeting the challenge of the country's education with the new millenium in mind. Progress made in education during Zedillo's tenure crystallized in a national plan for the modernization of basic education, reform providing for free textbooks, and the reform of teachers' career tracks.

PRD Spokesman: Zedillo To Focus on Economic Issues

PA2903215494 Madrid EFE in Spanish 1954 GMT 29 Mar 94

[Text] Mexico City, Federal District, 29 Mar (EFE)—Today, the opposition Party of the Democratic Revolution (PRD) said the new ruling party presidential candidate, Ernesto Zedillo Ponce de Leon, will give priority to economic issues and will relegate social issues. PRD spokesman Julio Ulloa said the campaign of the late Institutional Revolutionary Party (PRI) candidate, Luis Donaldo Colosio, was characterized by its inclination to address social problems such as poverty. "This new candidate totally changes the focus of the electoral campaign. Colosio had focused on social issues as has the PRD government program," he pointed out. The spokesman added that because of the post he held in the government, Zedillo's campaign will apparently focus on economic issues and their social repercussions.

Since November 1993, Zedillo had been a coordinator for PRI candidate Luis Donaldo Colosio's campaign, who was assassinated on 23 March in Tijuana on the U.S. border. Colosio had realized that addressing poverty was a priority of the times, but this will most probably be placed in the middle level of importance by the new candidate although he will continue the programs of the current government. Ulloa added that the new candidate will make the differences between the campaigns of the PRI and PRD, the country's third electoral force, more evident.

PRD Leader Munoz Ledo Reacts to Nomination

PA3003034694 Mexico City Radio ACIR Network in Spanish 0137 GMT 30 Mar 94

[From the "ACIR Radio News" newscast]

[Text] Porfirio Munoz Ledo of the PRD [Party of the Democratic Revolution] has stated that in view of the country's circumstances, it is important for the government to be cautious because if it hardens its policy it will be risking the nation's social stability. Commenting on the nomination of Ernesto Zedillo Ponce de Leon as the PRI [Institutional Revolutionary Party] presidential candidate, the national PRD leader said that now more than ever, the political dialogue must be increased to guarantee clean elections.

[Begin Munoz Ledo recording] We hope that there will be no hardening of positions. The country's conditions make it advisable for the government to be cautious, wise, and tolerant. The Chiapas problem is not solved. There is concern and even emotional instability in vast areas of the country. We must advise the government to be cautious, increase political dialogue, and not allow the nomination of a candidate to be put on the same level with the appointment of a president. That would be the worst mistake that the system could make at this point. [end recording]

Munoz Ledo added that it is probable that Cuauhtemoc Cardenas will resume his campaign after Holy Week.

PAN Candidate on Zedillo Nomination

PA3003020594 Mexico City Radio ACIR Network in Spanish 0000 GMT 30 Mar 94

[From the "ACIR Radio News" newscast]

[Text] Diego Fernandez de Zevallos, PAN [National Action Party] presidential candidate, has resumed his political campaign and said he is willing to fight for the Presidency with Ernesto Zedillo:

[Begin Fernandez recording] Because of the public offices that Dr. Zedillo and I have held, I have had direct contact with him. He is a respectable man and politician. With his nomination by the PRI [Institutional Revolutionary Party] to replace Luis Donaldo Colosio—rest in peace—I again have an adversary, and I will fight for the Presidency of the republic. [end recording]

Former Policeman Arrested in Colosio Murder Case

PA2903192194 Madrid EFE in Spanish 1807 GMT 29 Mar 94

[Text] Mexico City, 29 Mar (EFE)—Today, the Attorney General's Office (PRG) accused former policeman Tranquilino Sanchez Venegas of complicity in the murder of Luis Donaldo Colosio, PRI [Institutional Revolutionary Party] presidential candidate. The murder occurred on 23 March in Tijuana.

Sanchez Venegas was arrested on Saturday. He then gave his deposition to the Attorney General's Office. Today, in federal court, he was accused of alleged complicity. The suspicion that he participated in the murder is based on an analysis of the videotape broadcast on television and on graphic material in the police's possession where it appears that Sanchez Venegas, while watching, opened a path through the crowd for the murderer, without acting to prevent it, as confessed murderer Mario Aburto Martinez shoots Colosio in the right temple.

Various PRG officials, who asked to remain anonymous, indicated that the arrest of the former policeman was made after a lady friend of Aburto Martinez declared that on 11 March the two individuals met in a Tijuana park. According to official reports, the former policeman was employed by the Tijuana PRI for "crowd control" at the event were Colosio was murdered.

Colosio was murdered on 23 March in Tijuana as he was concluding an event in his electoral campaign. The candidate was shot in the stomach and in the head. This resulted in instant brain death. Three hours later he died. The alleged murderer is being held at the Almoloya jail in Juarez, Mexico's maxiumum security jail. He is expected to be tried in the coming weeks once the investigation concludes. The PRG has indicated that for now, no one else has been arrested as an accomplice in the murder, although several individuals are being investigated.

Senate Approves Election Mechanism Reform

PA2803212094 Mexico City EL FINANCIERO in Spanish 25 Mar 94 p 66

[Report by Rodolfo Rojas-Zea]

[Text] The Senate of the Republic—bunting on the podium, silver eagle laid on the presidium—yesterday observed solemnly a minute of silence in memory of Luis Donaldo Colosio, senator on sabbatical and murdered PRI [Institutional Revolutionary Party] presidential candidate.

And it approved by 50 votes from the largest political forces of the country—including PAN [National Action Party] Senator Hector Teran Teran, who did not attend the session in order to be part of the honor guard of politicians at Colosio's funeral—reforms to Article 41 of the Constitution of the United Mexican States. Upon expanding the autonomy of the electoral mechanisms of the country, this reform makes electoral mechanisms citizen-oriented.

The reforms to Paragraphs 8, 9, 17, and 18 of the aforementioned article were approved with the participation of 49 [number as published] senators—all dressed completely black except Nuevo Leon Senator Maria Elena Chiapas, who wore a black and white silk dress. Henceforth, Article 41 shall read as follows:

"The organization of federal elections is a state function that is carried out by an autonomous public agency, furnished with legal status and its own resources. It is formed by the Executive and Legislative Branches of the union, with the participation of national political parties and citizens, as established by the law. In exercising such state functions, certitude, legality, independence, impartiality, and objectivity will be guiding principles."

Additionally, "the public agency will handle electoral matters, will be professional in its performance, and will make its decisions independently; its structure will consist of direction, executive, technical, and surveillance mechanisms. The higher direction body will be made up of counselors and citizen counselors appointed by the Legislative and Executive Branches, as well as representatives appointed by the political parties. The executive

and technical mechanisms will have qualified personnel necessary to provide professional electoral service. The surveillance mechanisms will consist mostly of representatives of the national political parties. The direction board of polling stations will be formed by citizens."

Independent Judges and Magistrates

The reforms consider that "the Federal Electoral Tribunal will organize itself under the terms established by law. For carrying out its duties, it will have bodies of magistrates and judges, who will be independent and will only respond to the mandate of the law. The magistrates of the tribunal must satisfy the requirements established by law, which will be no less than those established by this Constitution to be a justice of the Supreme Court. They will be elected by two-thirds vote of the members of the Chamber of Deputies present, after being nominated by the president of the Republic.

"The citizens counselors of the higher direction organ must satisfy the requirements established by law and will be elected by receiving two-thirds of the vote of the members of the Chamber of Deputies present. The counselors will be elected from the lists of nominees proposed by legislative groups in the very Chamber. The law will establish the corresponding regulation and procedure."

The reforms, which presidential candidate Cuahutemoc Cardenas Solorzano termed insufficient, brought about differences between him and Porfirio Munoz Ledo, president of the PRD [Party of the Democratic Revolution], it was learned last 18 March at a crowded PRD rally in the Central Plaza.

Commenting on those differences, Munoz Ledo said yesterday "some feel the direct representation of the public powers should be entirely out of the electoral organism."

He added "that is where the country is likely to head, but for now the parties agreed to let the Executive Branch official in charge of the country's internal affairs remain the chairman of that organism although "now without casting the tie-breaking votes, and proposal to formalize a tradition that has been in practice until now, namely, to use his right to vote in the deliberations of this corps."

"Majority and minority representatives from the two congressional chambers, where the parties can state their views through their representatives," also remain. "I must emphasize this because a very important step has been taken, meaning the political parties will no longer have the right to vote, only to state their views, in the organization. Thus, they will no longer be judge and jury in their own favor."

Munoz Ledo added: "In our opinion, we abide by the principle we adopted by consensus. Unfortunately, this could not be done in the 1989 legislative period. According to the principle, no formal or informal party or government-party coalition will have a predetermined majority in the electoral organization."

He said: "Six highly respected and honorable citizens will be confirmed by two-thirds majority in the Chamber of Deputies. These citizens will be elected by consensus among the parties and they will be a result of the two chambers' actual configuration."

Munoz Ledo said he is "certain the reform, which firmly points toward the citizens' participation in electoral organizations, will allow the operation of subordinate agencies; abolish bureaucracy and unfair attitudes; and, if its implementation is correct, help increase the citizens' confidence in the elections."

Carlos Jimenez Macias, directorate board chairman for this period of sessions, said that—with these reforms—"our legislation acquires a modern dimension which places it among the most advanced in the world, and among the ones which offer a higher degree of certainty."

He said: "Within this important debate, legislators protected ideological pluralism—which is characteristic of a democracy—and the lofty dignity which corresponds to their investiture."

The ceremony ended once the reform was approved, thus ending the second special period of congress sessions.

Committee Sets Rules To Establish Bank Branches

PA2903130594 Mexico City EL FINANCIERO in Spanish 21 Mar 94 p 7

[Report by Georgina Howard]

[Text] The Financial Opening Committee, which has already received requests by four U.S. banks and three Canadian ones to open branches in Mexico, said it will closely verify that regulations for the establishment of affiliates in the country be kept. It also guaranteed they will not give preferential treatment to anyone as they will maintain the same treatment given to national affiliates.

The committee members, which include specialists from the Finance Secretariat, Bunco de Mexico, and the national banking, securities, insurance, and financial commissions, announced that stock market and foreign stock specialists must present a program of their participation in intermediary activities and must specify the market segments they will attend.

Investment and investment management companies, the committee stated, must explain their participation in the companies they are promoting, the sale of shareholders' stock, and the services they will render.

Insurance and financial companies must report to authorities the market sectors they will attend, the specific fields they will cover, and the description of the coverage they will offer.

Exact Information

In the specific case of stock market affiliates, the Financial Opening Committee explained that the intermediaries will have to specify their activities in stock, money, intermediary, collateral, and financial corporation markets to ensure that their activities are carried out in a diversified and competitive manner.

Furthermore, the stock market affiliates must prepare an investment management company program to determine how many [branches] will be established; in what field; the amount of initial capital paid; market position; risk diversification strategy; basis for the implementation of utilities, organization, and control; computer systems; and a five-year program for the opening of offices.

In addition to the above, the program must also provide a yearly individual financial forecast based on macroeconomic estimates, which must include expected GNP, inflation, interest rates, exchange rates, expected company entry into stock market and financial system, as well as payment of foreign exchange, employment level, infrastructure investment, and expense increases.

Based on those projections, the commission asserted, the stock market companies must make a yearly growth forecast as well as ones on market participation; growth in [stock] custody, account custody, and employee custody; solvency; liquidity; leverage; global capital, utility margin; and net utilities at present values.

The stock specialists must stipulate the type of values they will promote and the services they will offer, specifying the amounts and quoted operational margins such as risk diversification strategies. They must include macroeconomic and company estimates in their projections.

As for investment companies, the Financial Opening Committee added, they must detail their objectives; stock purchasing and selection policies; bases to diversify assets and plans to sell stock issued; participation in the companies promoted and sale of stockholders' stock policies; name of its controlling company; and segments of the market it will attend.

Marketing Is Coming

Companies that manage investment companies must present—in addition to the aforementioned requirements—its program to promote and distribute stock issued by the investment companies they manage to the public; types of investment companies they will service; amount of working capital in case they want to establish a private company of variable capital; macroeconomic and company estimates.

For insurance company affiliates, the requirements include the operations or fields in which they want to operate; type of insurance to be offered in Mexico; financial budget, which includes technical and capital reserves; segment of the market and geographic position of the area they want to cover; description of the coverage they will offer; retention and reinsurance policies, as well as policies to attend accidents, adjustments, and general claims.

The financial companies, concluded the committee, must add the description of the finances to be offered, including a report on premiums, rates, examples of contracts or clauses; policies on deductions, cofinancing, and refinancing, as well as their policy on attention to claims and macroeconomic and company estimates.

Commerce Leader Says Country Steady on Course

PA2803193494 Mexico City EL FINANCIERO in Spanish 26 Mar 94 p 9

[Report by Leticia Rodriguez Lopez]

[Text] Ricardo Dajer Nahum, president of the Confederation of National Chambers of Commerce, Concanaco, has said that Mexico's economic project "has not drifted off course" and that continuity of the country's economic policies is essential for the population's tranquility.

Control of the country has not been lost. The course remains the same. The "tragic" event in which presidential candidate Luis Donaldo Colosio lost his life, which intended "to divide us and make us confront one another," does not mean that Mexico "is going overboard." For this reason, "we must remain calm and have Mexico's future clearly before our eyes," he said.

The leader of the country's organized commerce said that, although violence has increased in Mexico and there is even a state of "psychosis" in some states because of kidnappings, the possibility of establishing the death penalty in the country is a delicate matter that requires a careful analysis and that "very nearly requires a national forum."

In a news conference, Dajer Nahum said that more federal highway police are needed, more training of the Judicial Branch is required for this branch to act efficiently, and the penalties passed should be "stiff enough" to discourage illegal actions.

He also said that certain crimes, such as the kidnappings that have caused "psychosis" in Sinaloa, Sonora, and Coahuila, must be given special attention so they can be avoided and resolved. Although, "technically" speaking, these types of crimes could discourage investors, the crimes must be resolved, not only for economic reasons but for the security to which all Mexicans are entitled.

Dajer Nahum also said that the store owners' response to a call for declaring a partial stoppage and then resuming their activities at noon on 28 March has been favorable throughout the country. He said this is a country-wide protest against the recent violent events and at the same

time reaffirms their support for the Mexican Government. He added that the financial cost of this stoppage will be minimal because stores will remain closed only a few hours.

He went on to say that the social price is nonexistent because the basic services employees have been asked to work normally so the country's economic life is not disturbed at all. He also said that the partial closure of stores throughout the country will serve to repudiate violence and Luis Donaldo Colosio's murder and to demand that the state of law, democracy, harmony, and justice prevail.

Finally, he said he is sure the investigation of Colosio's murder will yield results soon and that a clear report will be issued so the community "can learn what the situation is."

Roundup of Economic Developments

PA2903191394

[Editorial Report] The following is a compilation of reports on Mexican economic developments monitored through 29 March.

In January, the combined effects of more imports and a new decline in petroleum revenues generated a 26.9 percent increase in the trade deficit over the January 1993 figure, according to preliminary reports from the Bank of Mexico. In January, the Mexican foreign deficit trade balance—without including figures from assembly plants—was $1.831 billion, that is, 29.9 percent higher than January 1993. The Bank of Mexico also indicated that imports for January totalled $5.551 billion, that is, 20.3 percent higher than same period in 1993. (Mexico City LA JORNADA 21 March 94 p 39)

The Mexican Employers Confederation has said Mexico is currently experiencing its "highest unemployment in history and that no immediate solution to this problem seems near." Meanwhile, the Private Sector's Center for Economic Studies has assured that the drop in employment was practically across the board in all activities in 1993, when over 200,000 jobs were lost. (Mexico City UNOMASUNO in Spanish 22 March 94 pp 1, 10)

Mexican Petroleum (PEMEX) has begun renegotiating credit with banks in Japan, Europe, and the United States for a total of $1.1 billion that will be used to help pay a debt contracted in 1979. This debt totalled $1.5 billion at the end of 1993. For PEMEX, the payment of this debt is of great importance as it equals 90 percent of the financial obligations contracted before the so-called "debt crisis." (Mexico City EL FINANCIERO in Spanish 22 March 94 p 8)

The Bank of Mexico's international monetary reserves increased to $27 billion in January, that is, $4 billion more than in December 1993. The Banorte Financial Group indicated that the current turbulence in financial markets is locally generated by political and not economic factors and from abroad, due to the hike in interest rates in the United States and the trade conflict in Japan. (Mexico City EL FINANCIERO in Spanish 22 March 94 p 5)

On 9 March, outstanding government securities held by foreign investors totalled 80.3 billion new pesos, a 11.5 billion increase over the end of 1993. These figures, according to the Bank of Mexico, indicate that foreign participation in the purchase of government securities continues to rise, adding that the turbulence in the exchange and stock markets is short term. (Mexico City EL FINANCIERO in Spanish 23 March 94 p 7)

Mexico and Costa Rica have agreed to eliminate export subsidies for agricultural products as of 1999. At that time, both countries will renounce both the rights established under the General Agreement on Tariffs and Trade (GATT) that grant the use of export subsidies and any rights that could result from multilateral negotiations within GATT. But as of 1 January 1999, neither of the two nations will be allowed to continue or introduce subsidies for the export of its reciprocal trade. (Mexico City EL FINANCIERO in Spanish 23 March 94 p 20)

PEMEX's 1993 taxes rose to 55.409 billion new pesos, a figure that includes both direct and indirect taxes. This represents 3.7 billion pesos more than in 1992 "under the adoption of a tax regime that acknowledges the new organizational structure of this institution and its subsidiaries." At the end of 1993, PEMEX paid the Treasury a total of 32.945 billion new pesos for hydrocarbon extraction rights and in other direct taxes. (Mexico City LA JORNADA in Spanish 23 March 94 p 49)

Today, the National Bank of Mexico (Banamex) signed a new line of credit for $75 million with the Export Development Corporation to finance capital goods, equipment, and services imported from Canada. Banamex explained that this credit will support the reconversion and modernization of the industrial sector and the struggle against environmental contamination. (Mexico City NOTIMEX in Spanish 0307 GMT 25 March 94)

This year Procampo (Program for Direct Support to the Countryside) has earmarked 244 million new pesos for Chiapas that will benefit 90,000 families, Carlos Hank Gonzalez, secretary of agriculture and hydraulic resources (SARH) has reported. During a working tour, the secretary handed out 44,220 new pesos to 107 producers of basic crops who are registered in development district number 02 in San Cristobal de las Casas. The SARH secretary indicated that the executive has issued instructions that special support be extended to Chiapas producers. (Mexico City LA JORNADA in Spanish 24 March 94 p 9)

This year, PEMEX's Exploration and Production Division, with an investment of 7 billion new pesos, will

undertake a number of strategic projects for the incorporation of reserves, development of petroleum potential, and the development of new production fields. The goal is to maintain existing production of hydrocarbons and to add to the nation's proven reserves, given that in the past decade these reserves have declined. (Mexico City LA JORNADA in Spanish 24 March 94 p 10)

Thanks to strict budget discipline, increased internal sales and savings in some sectors, and lower operating and investment costs, PEMEX generated a primary surplus of 4.149 billion pesos in 1993. That figure is 3.2 percent higher than the 1992 amount. PEMEX financed its investments with revenues generated internally as part of the framework of the payment of direct and indirect taxes. This allowed PEMEX to preserve its solid financial structure and maintain a satisfactory operational cash flow. (Mexico City EL FINANCIERO in Spanish 28 March 94 p 31)

The National Foreign Trade Bank reports that the opening of trade has favored the United States in the last five years to the tune of $15 billion with regard to Mexico. Currently over 80 percent of Mexican exports go to that country, while 71 percent of imported merchandise is from the United States. Changes in foreign trade patterns promoted by this government appear to have increased dependency on one market: the United States. Only 3 percent of Mexico's exports go to Canada, while 1.6 percent of Mexico's imports come from that nation. (Mexico City LA JORNADA in Spanish 28 March 94 p 21)

According to the British ambassador to Mexico, the UK plans in the short term to increase its investments in Mexico—currently at $2.6 billion—in the petrochemical, automobile, and tourism industries, despite the period "of confusion and destabilization that the country is now enduring." The ambassador said the murder of Institutional Revolutionary Party candidate Luis Donaldo Colosio will in no way discourage foreign investors or cause capital flight. Meanwhile, the Panamanian ambassador said that the current unstable situation will in no way affect the signing of new trade agreements. (Mexico City LA JORNADA in Spanish 28 March 94 p 2)

Costa Rica

President-Elect's Foreign Trade Plans Viewed

PA2803200194 San Jose LA NACION in Spanish 20 Mar 94 p 13a

[Article by Marcela Angulo from the "Good Morning" column]

[Text] President-elect Jose Maria Figueres has set his foreign trade priorities and consolidated his determination to renegotiate the Third Economic Adjustment Program (PAE III) with the World Bank.

Figueres plans to strengthen relations with the other nations on the isthmus and to continuously intensify regional trade—with a potential market of 30 million—with a view to having this bloc join NAFTA at some future date.

Judging from his statements to the press, Figueres plans to effect structural reforms through agreements and credits similar to those the current administration made with other cooperation organizations in financial and educational matters.

Nonetheless, and in spite of the interest that Figueres has indicated in attracting foreign investment and technology in order to increase the competitiveness of Costa Rican enterprises, the macroeconomic and commercial policies his administration will promote are still a little vague.

As Foreign Trade Minister Roberto Rojas explained recently, in order for Costa Rica to prepare for its probable incorporation into NAFTA—this will take from eight to 10 years—the national strategy should necessarily include opening up the services industry.

The main reason for this would be that the United States is hoping to improve its position in global trade regarding the sale of services and intellectual property. These characteristics are already apparent in the bilateral treaty signed with Mexico and Canada.

The Calderon Administration's PAE III includes reforms that are headed in that direction. A change in these would represent a setback or impasse for the country; the cost might turn out to be too high in the long term.

It is not enough to establish a goal—to become part of NAFTA—one must also adopt changes required to reach it. In my opinion, this point is not clear to our economy's future strategists.

Roundup of Economic Developments

PA2903195494

[Editorial Report] The following is a compilation of reports on Costa Rican economic developments monitored through 29 March.

Central Bank President Jorge Corrales has reported that Costa Rica's net international reserves totalled $964 million in January 1994, while in December 1993 these reserves reached $945 million. Corrales added that in January the Central Bank obtained important amounts of foreign currency through the sale of $50 million in bonds issued by the Costa Rican Electricity Institute. (San Jose LA REPUBLICA in Spanish 12 March 94 p 11A)

Deputy Finance Minister Jose Rafael Brenes has reported that Costa Rica's internal public debt increased from 182 billion colones in 1992 to 242.7 billion colones in 1993. Brenes explained that the debt rose because the government had to make heavy payments to clear up its debts with state banks and with the Social Security Fund, as well as heavy payments on its foreign debt. (San Jose LA REPUBLICA in Spanish 13 March 94 p 12A)

Foreign Trade Minister Roberto Rojas has reported that the Mexican companies resident in Costa Rica generate 8 percent of the gross domestic product of this Central American country, equivalent to approximately $523 million per year. This figure will probably grow to nearly 10 percent, some $50 million, once the bilateral free trade enters into effect in January 1995. (Mexico City NOTIMEX in Spanish 0905 GMT 16 March 94)

The Exports and Investments Promotion Center (Cenpro) has reported that Costa Rican exports of edible roots have increased at an annual rate of 26 percent from 1990 to 1993. Cenpro reported these exports amounted to $30 million in 1993. (San Jose LA REPUBLICA in Spanish 18 Mar 94 p 13A)

El Salvador

Support for Parties in Runoff Elections Defined

PA2903124694 Panama City ACAN in Spanish 1203 GMT 25 Mar 94

[By Cristina Hasbun de Merino]

[Text] San Salvador, 25 Mar (ACAN-EFE)—The major parties, namely, the Nationalist Republican Alliance (right-wing Arena), and the leftist coalition, which includes the former guerrillas, already know who will support them in the possible runoff presidential elections in April. Both parties claim that they will win.

The decision of the Christian Democratic Party (PDC), the third Salvadoran political force, not to support either contender cleared up the new electoral panorama and dispelled rumors about a possible alliance with ARENA, of which the PDC has been among the staunchest critics.

Joaquin Villalobos, leader of the former Farabundo Marti National Liberation Front [FMLN] guerrillas, told ACAN-EFE that the PDC decision "creates conditions to increase the coalition's possibilities to win over votes."

Arena Deputy Rene Figueroa, however, told ACAN-EFE that the PDC decision "does not affect us" because his party "is supported by a majority of the Salvadorans."

The PDC leadership based its decision on the fact that the government models of the contenders in the runoff elections—which has not yet been officially announced by the Supreme Electoral Tribunal [TSE]—"fail to meet the aspirations of our voters," and this leaves us free to choose "conscientiously."

The runoff election will pit ARENA's Armando Calderon Sol, the former San Salvador mayor, and Ruben Zamora, vice president of the Legislative Assembly. The latter was nominated by the former FMLN guerrillas, Democratic Convergence (CD), and National Revolutionary Movement (MNR).

Rene Figueroa said that, although his party will not ask the left wing to give up a runoff election, its leaders "should reflect and save us energy and money, because it is clear that most Salvadorans want democracy and liberty, this meaning ARENA."

Zamora, his partner Francisco Lima, and the leaders of the three parties that comprise the coalition yesterday rejected rumors that it would not participate in runoff elections and demanded that the TSE guarantee the vote of all Salvadorans.

The ARENA deputy doubted that the PDC rank and file would vote for the left wing, because that party has faced several divisions in recent times and "discontented PDC members who already voted for the FMLN on 20 March."

A visibly happy Villalobos, however, said that the PDC decision "improves everything because the PDC rank and file is an important element in the runoff election that will be decisive, and it will vote for us." Juan Ramon Medrano, also of the FMLN, told ACAN-EFE that the minority parties, namely, the Unity Movement and National Solidarity Movement, of evangelical persuasion, have adopted an attitude that is similar to that of the PDC. He pointed out that what is important is "that they did not side with ARENA."

The only party that decided to support ARENA is the conservative National Conciliation Party (PCN). Its secretary general and presidential candidate Roberto Escobar Garcia told ACAN-EFE that Arena's alliance is "mainly based on our ideological line, and obviously, we do not support the FMLN."

Calderon Sol and Zamora said they are talking with various sectors in search of support for the runoff elections. They are also willing to reach a consensus, because they realize that governing will be the major problem of the new peace situation.

The candidates agree that the TSE must solve serious anomalies that were present during last Sunday's elections, in which 84 deputies to the Legislative Assembly and 262 mayors were elected. The most serious problems were related to the voter registration list. Many citizens were unable to vote because their names were not on it. There were delays in opening voting sites, lack of transportation, and other incidents the United Nations described as "minor."

Guatemala

Mob Attacks U.S. Citizen for 'Stealing Babies'

PA3003042194 Guatemala City Cadena de Emisoras Unidas in Spanish 0015 GMT 30 Mar 94

[Report by Julio Amilcar Nuila]

[Text] There is still tense calm here. Many people are outside the local office of the justice of the peace. Hours of heavy tension were experienced here. Everything began in the morning hours, about mid-morning, when people here accused a U.S. citizen of being presumably linked to gangs that are stealing babies.

There was no special or legal basis on which to make such an accusation; however, the rumor was disseminated and the population united and tried to lynch the woman on the street. Local authorities intervened and managed to give her refuge at the local court building. A large number of people surrounded the building. We must note that they all used children and teenagers as shields to prevent the public forces from using greater coercive measures to calm down the people.

The situation worsened by the moment. Everyone was demanding that U.S. citizen (June Diane Weinstock), 51, come out. She is an editor for a U.S. magazine who hails from Florida and is residing in Alaska. The woman said she entered the country through Huehuetenango, toured El Quiche, arrived in San Cristobal Verapaz, and was about to board a bus to head for Coban—she said she had come to see the beautiful carpets of the solemn processions that are made here—but she did not imagine what was awaiting her.

The situation, I repeat, turned red-hot. I was, from the very beginning, the first local reporter covering the situation from the courthouse here at San Cristobal Verapaz. We all tried to mediate. The volunteer firefighters showed up. They were attacked as they pushed their way through the mob. The departmental Red Cross also showed up, and its members were attacked. The assistant human rights official also tried to intervene. The crowd listened to no one.

They said they wanted blood and that they would not be pleased until they saw blood. After trying to mediate, the police—in an attempt to calm down the population that started to smash glass windows and make the situation more violent—threw a can of tear gas, and this, instead of achieving the calm that was desired, actually infuriated the mob even more.

The situation turned much more difficult. All of us who were inside the courthouse gathered in an extremely

small room. We took refuge there while the rest of the building was being destroyed by the mob. We observed a fire. The fire was already surrounding the room housing the reporters, Red Cross members, firefighters, policemen, the assistant human rights official, the local justice of the peace, and the U.S. citizen who was being protected in the nearby restroom.

The mob, however, nearly lynched every person inside the building. We managed to leave, and the U.S. citizen fell into the hands of the furious mob. The first report indicated that she was completely massacred. However, when the volunteer firefighters managed to reenter the building, they realized she was badly injured but still alive and breathing weakly. She was naked and her skull was partially destroyed. This was a very dramatic situation. She was bathed in blood.

The 187th Unit of Volunteer Firefighters took her immediately to the regional hospital. We are quite far away from Coban. At this time we do not know whether the U.S. citizen is alive. Her prognosis has not yet been disclosed.

The presence of the National Army has been requested since noon. Regrettably, members of the Army 21st Military Zone showed up after all this had transpired. San Cristobal Verapaz is currently under military control.

We want to give you a last-minute report: Another citizen who is identified only as Luis Miguel—he is called Mike here in San Cristobal and resides here—was called by authorities of the local justice of the peace to serve as an interpreter and was apparently seriously beaten up. He is being taken to the regional [name indistinct] hospital.

The local justice of the peace reported that the residence of a U.S. family residing here in San Cristobal has been closely monitored by the population. Rumor has it that they are also involved in the stealing of children. The sin then is to be a U.S. citizen. They have been branded. The Army is currently headed for that residence to persuade them to evacuate this place, which is a dangerous place for foreigners.

Government, URNG Reach Agreement

PA2903230494 Guatemala City Teleonce Television in Spanish 1900 GMT 29 Mar 94

[Report by Willy Melgar; from the "Telepress" newscast]

[Text] [Words indistinct] repeated reports on an attack perpetrated in the country's interior during the past days, the [words indistinct] announcement in Puebla, Mexico on agreements reached by the government and the guerrillas within the framework of the dialogue started in 1991.

Mexican President Carlos Salinas de Gortari and Guatemalan President Ramiro de Leon Carpio might attend the signing of the human rights agreement reached by the Guatemalan Government and the URNG [Guatemalan National Revolutionary Unity], according to sources in Mexico's Foreign Relations Secretariat.

The parties reached preagreement points in the overall human rights accord. Among them are promises to:

- Guarantee and protect the basic rules [preceptos];
- Fight impunity, and for this purpose, promote the necessary modifications of the Penal Code;
- Strengthen democratic institutions;
- Attain immediate international verification;
- Institute voluntary military recruitment;
- Fight against any evidence of illegal corps in the country; and
- Compensate the victims of human rights violations.

It was reported that the URNG invited Monsignor Rodolfo Quezada, conciliator for life of the process, Teresa de [word indistinct], and other personalities of Guatemalan civilian society to attend this ceremony. It was also reported that in this round of talks there was consensus on the establishment of a timetable for the agreements reached in Mexico on 26 April 1991.

The Mutual Support Group [GAM] today issued a statement on the establishment of a Truth Commission in reaction to the news of the agreements reached in Puebla, Mexico, during the last round of talks between the government and the guerrillas. The GAM document states: Guatemalans are experiencing times of hope by knowing that the government, Army, and URNG decided to hold talks and find political solutions to the internal armed conflict that was produced by the profound inequalities that exist in the country. It is evident that we have talked about two Guatemalans historically: one of Spanish-Indian descent [ladina] and the other Indian. We must definitely learn to integrate into a single nation with a [word indistinct] sense, while respecting diversity, but working in the same direction and with the same objective—to turn Guatemala into a homeland for all.

The document adds: [Words indistinct] to the extent that we seriously correct the mistakes of the past, which we all committed by action or omission. (?This is no time) to analyze who is to blame for the systematic and repeated problems that led to their accumulation. The truth is that there was a wall of silence and this nourished all those who had thoughts that went against the state of things. What has been established is not necessarily the rule to follow; there are options.

It further states: History (?zealously) teaches us, who remember it, that those who acted with impunity in the years of the repression will continue to do so. They (?built) a strong structure, which will be difficult to dismantle, and today are deciding the fate of the country at all levels through different methods but with the same results.

Thus, the document adds, it is imperative and indispensable to create conditions for the Truth or Investigative Commission. This, however, must not be a pantomime to get out of trouble. A document specifying that there will finally be a cease-fire should be signed. The Truth or Investigative Commission should be precisely that: a commission to deal with the truth regardless of the influence that a civilian, soldier, or insurgent, who killed defenseless and unarmed citizens with impunity, might have. We are therefore not referring to those from one party or the other who have fallen in the crossfire.

It states: We clearly specify that we are talking about the Guatemalans who were kidnapped, murdered, or massacred by uniformed paramilitary groups while at home or walking on the streets.

President Pleased With Accord

PA2903202694 Panama City ACAN in Spanish 1851 GMT 29 Mar 94

[Text] Guatemala City, 29 Mar (ACAN-EFE)—Guatemalan President Ramiro De Leon Carpio today expressed satisfaction over the general [global] human rights agreement his government reached with the guerrillas at a meeting in Puebla, Mexico.

"I believe all Guatemalans should be pleased with the progress made in the negotiations process," the head of state said on Radio "Sonora."

De Leon explained that he cannot express any opinions concerning the agreement because he pledged not to do so during the talks. Only the UN moderator, Frenchman Jean Arnault, can provide details.

Nevertheless, he emphasized that "considerable progress has been made" with the signing of the general agreement on human rights which excludes the Truth Commission, which was formed to investigate violations of individual guarantees throughout the 34 years of the armed conflict.

The president said that he and the Armed Forces High Command, which he also heads, have been in permanent contact with the National Commission for the Consolidation of Peace (COPAZ) presided over by Hector Rosada, examining each of the points as they were agreed upon.

"We have been fully informed, and we ought to be pleased because considerable progress has been made," de Leon stressed.

Leaders React to Accord

PA2903223794 Panama City ACAN in Spanish 1731 GMT 29 Mar 94

[Text] Guatemala City, 29 Mar (ACAN-EFE)—The agreement on human rights reached in Mexico by the Guatemalan Government and the guerrillas is the greatest outcome in three years of negotiations and opens the possibility for President Ramiro de Leon Carpio to meet his objective of pacifying the nation.

The former human rights ombudsman—who became Guatemala's president on 6 June 1993 in the midst of a terrible political crisis originated by ousted President Jorge Serrano's failed self-coup—has paved the way to peace with the signing of an overall agreement on human rights with the rebels.

The Government Peace Commission (Copaz) and the Guatemalan National Revolutionary Unity's (URNG) "military command" reached this agreement in Puebla (Mexico) after overcoming several obstacles throughout three years of conversations.

The agreement with the rebels strengthens Ramiro de Leon Carpio's administration, which during his 10 months in power has lost credibility and the support of the diverse sectors of society that demand an end to the conflict and better living conditions. People's leaders consulted by ACAN-EFE indicated that light can now be seen at the end of the tunnel and that even though the agreement has been signed true hope lies in its fulfillment and the beginning of the end of the massacre.

"The signing of the agreement is a victory for the whole community that pressured the government and the guerrillas. It is not a voluntary gift, although it fell on Ramiro de Leon Carpio," stressed Rosario Pu, leader of the Committee of Peasant Unity (CUC).

Meanwhile, Rosalina Tuyuc, leader of the National Commission of Guatemalan Widows (Conavigua), told ACAN-EFE that a first step has been taken for a constitution of civilian communities [pueblos civiles] and that this agreement will stimulate and support the people. "For us the signing of this accord is very important because it opens up a space for society," she highlighted.

Meanwhile, Human Rights Ombudsman Jorge Mario Garcia Laguardia said the agreement gives "a new glimmer of hope to the population" because the parties have demonstrated their democratic calling to reach an understanding. Garcia recognized that the work of Frenchman Jean Arnault was a key to reaching the accord, with which the incipient democracy will be strengthened in the medium- and long-term. For the human rights ombudsman now "it is necessary to form a national front of peace to discuss an agreement of social conditions as the only way to end the instability."

Nineth Montenegro, president of the Mutual Support Group (GAM), also told ACAN-EFE that after 34 years of war the agreement represents "a significant step forward" in the attainment of peace. "I am very happy to hear there is talk of democratizing and demilitarizing the country," the human rights leader remarked.

The issue of human rights was the most complex one of the 11 points on the agenda agreed upon in Mexico in 1991 by the government and the URNG under the mediation of Catholic Bishop Rodolfo Quezada Toruno.

According to Quezada Toruno, who was dismissed from the negotiations by de Leon Carpio. who in turned requested the UN mediation, under his mediation the parties were nearing the signing of an accord, but the foiled coup perpetrated by Serrano on 25 May 1993 ruined all the efforts.

The peace negotiations became bogged down several times during the coupist government of Serrano, and although de Leon gave new momentum to the process, it was not until last January that his representatives were able to meet for the first time with rebel leaders in Mexico.

De Leon removed the main players of the government in the process and appointed Hector Rosada to head the government delegation. Rosada has been charged with exerting pressure to force Quezada Toruno's removal and dissolve the National Reconciliation Commission.

The signing of the human rights accord and its international verification mark the end of a 34-year-old armed confrontation in Guatemala, the only country in Central America where tension remains. The undeclared civil war has left more than 150,000 people dead, some 250,000 widows, and 45,000 missing persons due to political reasons, as well as thousands of refugees.

Roundup of Economic Developments

PA2903180094

[Editorial Report] The following is a compilation of reports on Guatemalan economic developments monitored through 29 March.

Six days after trading at the foreign exchange market began, the price of the U.S. dollar price has stabilized. On Monday, the exchange rate stabilized at an average of 5.81 quetzales to the dollar. The supply of U.S. dollars is exceeding the demand. Ana Lucrecia Montes Granai, head of Granai Bank's foreign exchange department, has reported that the new flexibility in the exchange policy has made it possible for the productive sector to buy as many dollars as it wants. (Guatemala City PRENSA LIBRE in Spanish 23 March 94 p 88)

Antonieta de Bonilla, vice president of the Bank of Guatemala, has reported that the system's liquidity increased more than 200 million quetzales after the action last week by the Bank stopped the public sale of foreign exchange and established a flexible bank market. She said that as a result of the authorities' decision to decentralize the purchase and sale of foreign exchange, the bank no longer needs to put Guatemalan currency into circulation. Measures to lower interest rates and make the exchange policy more flexible are part of the Monetary Board's strategy to keep inflation at 8 percent and the economic growth rate at 4.5 percent this year. Prices and exchange rates have stabilized, she reported. (Guatemala City SIGLO VEINTIUNO in Spanish 24 March p 121)

Nicaragua

Murder of FSLN Leader Said Politically Motivated

PA2903135394 Managua BARRICADA in Spanish 25 Mar 94 pp 1, 6

[Report by Juan Ramon Huerta]

[Text] Wiwili, Jinotega Department—All the inquiries into the death of FSLN [Sandinist National Liberation Front] Political Secretary Javier Barahona in this town lead to the conclusion that it was a political crime. "It was particularly aimed at him because of his quality as a natural leader and not just because he is a Sandinist," residents and authorities concurred.

The climate in this town has turned violent. "Things have regressed. Mistrust prevails again, and the hopes of any needy persons in the programs Javier was implementing have been dashed," Rosa Benavidez, a town resident, said with a broken voice.

Sergeant Major Faustino Herrera Palacios, the officer in charge of the local police, told BARRICADA the case will be transferred today at the latest to the judge who will try the armed chieftains in absentia. A visibly shaken Herrera Palacios went to the place where Barahona had been bound. He found him without eyes and tongue, and with a knife embedded in this chest.

According to preliminary investigations, Barahona was viciously killed. "It was a horrendous murder, preceded by a kidnapping. The culprits are Omar [not further identified], Jose Davila Reyes, Estrella [not further identified], and Erasmo Vasquez Salgado," the authorities affirmed.

The police said armed men intercepted a bus with passengers between Jinotega and Wiwili, and went straight for Javier Barahona. His brother, Cesar Barahona, got off the bus, but was told to get back on it. These men took Javier Barahona to Aguas Amarillas and killed him near Bola de Cuajada Mountain. "They removed his boots, pants, personal effects, and left him there," Herrera Palacios stated.

"At approximately 1800, I heard four shots and told my son: 'That sounds bad. They killed Barahona,'" Leonila Castro, a resident of the area where the Sandinist leader was found, stated.

In addition, Herrera Palacios said the armed men carried a list of persons with Sandinist affiliation, including persons from Wiwili, adding they know their victims well. This opinion coincides with that of the area residents who said the armed person were tailing Barahona since the previous Sunday.

This kind of operation shows these men are the remnants of El Guapote's group because Omar—a young man who just a few years ago was a child seen on Wiwili's streets—joined this rebel leader and afterward was a

member of the 3-80 Northern Front. When El Chacal [Jose Angel Talavera] began negotiations with the government, he and Chele Gringo [not further identified] were opposed and left to become active in the area around the town.

Army troops have been pursuing this group—estimated at between 15 to 20 men—since noon Wednesday. They have disbanded, thus hampering their capture. Until yesterday, there had been no contact with them, but "we hope to soon," the military source said.

Bank President Agrees To Reduce Public Spending

PA2903175394

[Editorial Report] Managua BARRICADA in Spanish on 23 March on pages 1 and 5 reports that Central Bank President Evenor Taboada has announced that the Government of Nicaragua has agreed to reduce public spending by more than 4 percentage points of the GDP, as demanded by the IMF as a condition for signing the Enhanced Structural Adjustment Facility (ESAF). Taboada added that figures show Nicaragua must transfer resources from the public sector to the private sector, while guaranteeing stability and the growth of the economy.

Panama

Roundup of Economic Developments

PA2903181394

[Editorial Report] The following is a compilation of reports on Panamanian economic developments monitored through 29 March.

According to a report by the Comptroller General's Office, Panama's public debt totaled $7.228 billion on 31 December 1993. The debt is broken down as follows: $1.916 billion, or 27 percent, is internal public debt; $3.795 billion, or 53 percent, is external public debt; and $1.517 billion, or 21 percent, is overdue interest and commissions corresponding to the foreign public debt, mostly international commercial banks. (Percentages are as published.) The document says that the amortization of this debt demands the largest disbursements from the state's budget, with the exception of the government payroll. The country's public debt is 1.1 times larger than the 1993 GNP, which the Office estimates at $6.5619 billion. In an effort to amortize this amount, the government allocated $693 million in the current fiscal year's budget to service the internal and external public debt. This amount is equivalent to 18 percent of this year's allocation for the public sector's operating expenses and to 23 percent of current revenues. (Panama City LA PRENSA in Spanish 22 March 94 p 1A)

Victoria Garibaldo, director of the Consular and Shipping Department, has reported to ACAN-EFE that so far this year the country has received $14.71 million from ship registrations and that this amount exceeds by 5.5 percent the amount estimated for the first quarter of 1994. She said that Panama leads with 12,496 registered ships and a gross tonnage that exceeded 77 million as of 15 January 1994. The department expects to collect about $43 million in direct revenues this year. The country received $41.33 million in direct revenues last year. In addition, indirect revenues from ship registrations amount to more $60 million, Garibaldo said. (Panama City ACAN in Spanish 2037 GMT 23 March 94)

The U.S. Federal Reserve's decision to raise the daily interbank interest rate to 3.50 percent will particularly affect those who borrow for consumption, amortize mortages, or refinance enterprises. In Panama, the most important effect of this decision is that the country will now be negotiating with private banks a substantial portion of its debt, more than $2 billion in principal and close to $1.3 billion in interest. Since October 1993, the U.S. Federal Reserve's monetary policy has raised the cost of Panama's commercial debt by an estimated $20 million annually. Arturo Tapia, president of Wall Street Securities, has said that the higher interest rates should not harm Panama's economic growth because such rates are taken into consideration by investors. (Panama City EL PANAMA AMERICA in Spanish 25 March 94 p 1D)

Argentina

Workers Destroy Property at Jujuy Government House

PY2903175194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1600 GMT 29 Mar 94

[Text] San Salvador de Jujuy, 29 Mar (NA)—More than 1,000 Jujuy Province government workers at noon today destroyed public property outside the provincial Government House in response to Jujuy Government Minister Antonio Paliari's refusal to approve a salary increase for the workers.

After the incidents, police personnel used tear gas to disperse the demonstrators. No major damage or injuries have been reported.

Provincial Minister Resigns

PY3003033694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0101 GMT 30 Mar 94

[Text] San Salvador de Jujuy, 29 Mar (NA)—Eleven injured people, including seven policemen, one of whom is in serious condition, and four arrested individuals are the consequences of the incidents that took place today at the Jujuy government house, following a demonstration by 1,500 public workers and teachers who were demanding a wage increase.

The serious crisis caused, a few hours afterward, the sudden "irreversible" resignation of Minister of Government Antonio Paleari, who had harshly criticized provincial Justicialist Party deputies, and had questioned the national government for adopting a "discriminatory" attitude toward Jujuy in comparison with other provinces.

Meanwhile, the front of public workers unions decided tonight to continue the measures of force tomorrow, including a strike that will be observed in different ways depending on the unions.

For example, high school teachers will not attend classes, primary school teachers will work normally, and workers from the rest of the unions will cease activities at their workplaces and hold assemblies.

The incidents began taking place today at noon, when about 150 demonstrators out of the 1,500 who were participating in the protest stoned the government house, broke its windows, and hurled several Molotov cocktails and noise bombs.

The acts of violence forced the police to disperse the rioters with tear gas and rubber bullets, with the support of cavalrymen.

Soon after, a group of about 50 people headed for the private home of Governor Jose Carlos Ficoseco, which they stoned, and where they broke the windows of his Chevrolet pickup truck and a Renault car that was parked there.

After normalcy returned, and a little before resigning, Minister of Government Paleari blamed the SEOM [expansion unknown] and ATE [Association of State Workers] unions, headed by Carlos "Perro" Santillan and Fernando Acosta, for the outrages.

Paleari said that "one of the injured policemen, whose last name is Chauqui, is in serious condition as a consequence of the explosion in his face of a noise bomb, which made him lose his hearing on his left side, while he is in serious danger of losing the sight in his left eye."

The minister of government also denied that the police who had dissolved the demonstration had used live ammunition, although he admitted they had used "rubber bullets" besides the tear gas.

According to Paleari, the civilians who were wounded had slight injuries, one of them having received a rubber bullet in one of his buttocks.

He added that a policewoman was also wounded. Among the four arrested individuals, from whom the police confiscated "pamphlets with the picture of 'Che' Guevara inciting people to violence, two of them were totally drunk."

The serious situation in this capital today caused "concern" in the national government, and Interior Minister Carlos Ruckauf analyzed the problem with his aides, although it was said that "they never considered putting the province into trusteeship."

Governor Ficoseco decided to send a draft bill to the provincial legislature restructuring the public workers' wages, which for the lowest paid workers would represent a 50 percent increase.

The incidents began happening today at noon, about an hour after CTERA [Confederation of Educational Workers of the Argentine Republic] workers, headed by their national leader Mary Sanchez, began gathering. The CTERA column carried an approximately 400 meter long Argentine flag.

The rioters hurled inside the government house "at least four Molotov cocktails" nearly causing a fire that was immediately put out, while several other noise bombs exploded.

A little after that, the provincial police and cavalrymen dissolved the rioters by hurling tear gas and shooting rubber bullets, after which calmness returned to downtown San Salvador de Jujuy.

"If national intervention in the province is done to solve our problems, let it be welcome," former Minister Paleari told NOTICIAS ARGENTINAS, after saying that so far "Ruckauf said these were only rumors, and that there is no reason" for intervention.

Paleari, who at no moment indicated that he would resign, said that the "SEOM and ATE unions were the only two public unions that rejected an 80 peso wage

increase as of April plus 20 additional pesos in 120 days," and he accused them of originating the incidents.

Paleari acknowledged that "since 1991 the salaries" of the provincial public workers "have been frozen," and he confirmed that "some workers earn 123 pesos per month."

After reporting on the violent incidents, Paleari officially announced at 1930 that he had tendered his "irreversible resignation" and that Governor Ficoseco had accepted it, by which his post is being temporarily held by Government Secretary Alfredo Frias.

Provincial government spokesmen believe that "Paleari's replacement will be defined tomorrow," adding that "Governor Ficoseco plans to travel within the next few hours to the federal capital to analyze with national government officials the problem" in Jujuy Province.

Military Intelligence Asked To Evaluate Jujuy

PY2903191094 Buenos Aires PAGINA/12 in Spanish 27 Mar 94 p 2

[Article by Gabriel Pasquini: "Alert and Vigilant"]

[Text] Confidential sources have told PAGINA/12 that the national government has asked the military intelligence services to evaluate the political and social situation in Jujuy Province. This confirms that President Carlos Menem is resorting to the Armed Forces to control the people's mood. Intervention in Jujuy has been on the official agenda for more than a week: Intelligence evaluations confirm the existence of the basic factors for a social outbreak in that province.

Jujuy was the main item on the agenda at the latest weekly meeting of the intelligence service chiefs at the Armed Forces Joint Command headquarters. The meeting was not held by coincidence: The main role is being played by the Army, Navy, and Air Force intelligence services despite the presence of Secretariat for State Intelligence (SIDE) chief Hugo Anzorreguy and the National Border Police and the National Prefecture intelligence chiefs. Interior Minister Carlos Ruckauf chairs the meeting on behalf of the government.

The evaluations show that Jujuy has all the symptoms of an impending social outbreak and the national government is not about to endure another situation like that in Santiago del Estero. Beside sending former Deputy Luis "Quito" Martinez as a political auditor, the government will reportedly send new emissaries: There is talk of sending an Interior Ministry official and several Economy Ministry officials, but it is not clear if their mission will be to help the administration of Peronist Governor Carlos Ficoseco or to study the need for a future intervention.

Ficoseco is confronting the provincial legislature which approved a 50 percent salary increase for public employees. Ficoseco is in a difficult situation: If he vetoes the increase, the demonstration by the Front of State Workers Union scheduled for 29 March could become a repeat of the Santiago del Estero drama; if he approves it, the fiscal program will collapse.

In addition to popular discontent and the political crisis, there is the suspicion of generalized corruption. Among the intelligence reports are allegations—impossible to prove—of bribes as high as 50,000 pesos per legislator to vote for the Fiscal Pact. These bribes were reportedly paid in 10 installments of 5,000 pesos. This situation reportedly resulted in conflict when on 10 December 1993 the legislative branch was renewed and the new legislators demanded similar treatment while the outgoing ones demanded payment of the outstanding payments. The report, whether true or not, would be laughable if it were not staged with an extremely serious social situation as its backdrop.

Whatever the outcome of the Jujuy crisis, the case confirms that the executive branch has decided to charge the Armed Forces with the overseeing the mood of the civilian population. Government officials this week denied the possibility of changing the Defense and Interior Security Laws to legalize this situation: they seem to prefer the illegal method.

This situation is so real that members of the Armed Forces disseminated on 25 March a false version to cover their activities: They told the media that the government had asked for information on criminal gangs that include former military members operating in the great Buenos Aires area. Perhaps this same story will be used by the intelligence services chiefs who will be summoned by Congress to explain the situation, but it is far from the truth. Military sources consulted by PAGINA/12 explained in simple terms the meaning of the new military role.

One high military officer told this daily: "The president cannot permit a repetition of what happened in Santiago del Estero, when nobody informed him that the provincial government was stealing, that public employees were furious, and that the provincial police were unwilling to do anything about it. One should not make a myth of the word 'intelligence.' The president wants information on the social situation, he wants to know what is happening among the people. He wants the 120th Battalion to tell him if public employees want to burn everything down." What governor would not like the concurrence of the military chiefs?

Army and Navy sources told this daily that their intelligence services were basically dismantled years ago. One source said: "We dismantled the internal network in 1983 and 1984. It is easier than one thinks: Just cut off the money. This is how the network of information and civilian agents was dismantled. Many became criminals, for example, Maximo Nicoletti, the leader of the super gang."

The same source said the intelligence services were dismantled because "they were a political weapon,

always involved in skirmishes between Peronists and Radicals, that created more problems than results." Other sources have suggested that the Armed Forces never gave up their intelligence activities.

The source added: "Colonel (Jorge) Mina, the chief of the Army Intelligence Service, was about to ask for his retirement last year because his unit was to have been cut from 2,200 to 900 men. With this new policy there will be no reduction and Mina will almost certainly be promoted to general." He is symbolic of the past: his career is enmeshed in the 601st Battalion of Army Intelligence, which was one of the most active units of the illegal repression during the military dictatorship. It is again holding the watch.

The Armed Forces have found another way to become involved in watching over the provinces: The Interior Ministry has asked the Armed Forces Joint Command to form a rapid-deployment force to repress eventual social outbreaks.

This unit comprises members of the National Border Police, the Naval Prefecture, and the Federal Police. The idea emerged from the Interior Ministry after President Carlos Menem called on the cabinet and all security organizations last January to implement greater intelligence activities to detect any sign of insurrection.

Interior Minister Carlos Ruckauf asked Lieutenant General Mario Candido Diaz, the Armed Forces Joint Command chief, for technical assistance in preparing a rapid-deployment force. The other security organizations view the request with suspicion. One member told a reporter: "They will first advise on the formation of the force, they will then intervene in the preparation of the plan, and this is how they will take over the operation."

There are practical reasons to support this belief. Under the Interior Security Law, the Armed Forces can and must support the security organizations in their functions. The rapid-deployment forces will probably be transported in military planes and will be fed, housed, and receive medical assistance in military garrisons. It is not difficult to imagine that an officer of the Armed Forces Joint Command will be in charge of coordinating the operations.

There is also a political reason: Ruckauf may use it to overcome Defense Ministry objections to the creation of the rapid-deployment force, which it sees just as a way to buy weapons and new equipment for the National Border Police and the Prefecture. In other words, the Interior Ministry is taking a swipe at the Defense Ministry.

The meetings of the intelligence services have more political importance than practical results. An intelligence meeting is more like a poker game in which each participant eyes the other and measures how they are lying to him and how much he can hide. It also serves to communicate the official decision and to maintain the military attention. Each service then sends its report to the government through its own channels.

A general evaluation can be made right there: The Santiago del Estero social outbreak—which coincided with the armed insurrection in Chiapas, Mexico—lead to the president's appeal to military intelligence. It has created an unofficial manual of pointers from which to determine where an outbreak could occur next. The manual states that outbreaks occur when a serious social situation—like the case of public employees who did not get their already low salaries—is followed by a political crisis which allows the population to go out of control. This is almost an example of Marxist analysis: the late Louis Althusser would have written the formula that the crisis came when an economic conflict was "intensified" by a political conflict. Perhaps the intelligence agents have not read it but the provincial governors should start doing it.

Former De Facto President Acquitted of Charges

PY2903211794 Buenos Aires BUENOS AIRES HERALD in English 29 Mar 94 p 1

[Excerpt] (DYN-NA)—Former de facto president, General Jorge Rafael Videla, was acquitted yesterday on charges of promoting crime filed against the former head of the military dictatorship after he had said that the Armed Forces should have been paid, instead of having to pay the price for their actions during the Dirty War.

According to the verdict issued by Judge Fernando Larrain, Videla did not intend to make his opinions public because they came in the context of a speech made at a dinner last year in front of some 50 retired military officers.

The complaint had been filed last November by the government through the Human Rights Under-Secretary Alicia Pierini after Videla's statements were reproduced by Buenos Aires daily CLARIN. Government sources yesterday refused to comment on the verdict. [passage omitted]

World Telecommunications Conference Viewed

PY2903232994 Madrid EFE in Spanish 1844 GMT 29 Mar 94

[Text] Buenos Aires, 29 Mar (EFE)—Representatives of the 132 countries attending the First World Telecommunications Development Conference today closed it by approving the Buenos Aires Action Plan, which will especially favor lesser-developed countries.

The action plan is one of the most important issues discussed during the conference, which opened on 21 March in Buenos Aires. It includes three great chapters: a cooperation program between the most developed members of the International Telecommunications Union (ITU), an action plan for the Telecommunications Development Office (BDT), and a special program for the lesser-developed countries.

The initial program contains seven clauses: politics, strategies and financing; action and development of human resources; development plans, network and frequency management planning; integrated rural development; radio broadcasting; information services; and the application of new technologies for development.

These clauses are in the second chapter, in addition to others which mainly refer to coordinated activities of regional and world interest for assisting individual countries.

It is expected that they will be complemented with multilateral and bilateral projects carried out and supported by the BDT and its co-participants in development.

The first chapter deals with upcoming development conferences. There will be a world conference in 1998 with at least two regional meetings before then.

A decision was also made to create two commissions to study the development of telecommunications.

The third chapter contains a special program for lesser-developed countries to be financed with resources of the ITU, which specifies that both developing and developed countries will benefit from the programs.

The BDT action plan emphasizes the need to develop telematics (technology of telecommunications and informatics) and electronic networks to support the remaining proposed programs.

It also features a program to handle the specific needs of those countries with the lowest incomes and levels of services.

It is expected that at least 70 percent of the funds of the ITU, a specialized UN organization, will be used to support activities for lesser-developed countries.

The second chapter of the plan, the largest and most specific, emphasizes a proposal to "plan frequency management networks" and to help the development of communications infrastructure in developed countries.

Regarding "integrated rural development," the project seeks to extend telecommunications with remote rural communities in developing countries to cover rural activities such as agriculture, education, transportation, and health.

The second chapter also proposes a project for "the development of telematics and electrical networks" connected in the future by "electronic highways" which will allow developing countries access to information, education, and training.

New Antarctic Joint Command Head Installed

PY3003034094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1821 GMT 28 Mar 94

[Text] Buenos Aires, 28 Mar (NA)—Lieutenant General Mario Candido Diaz, the chairman of the Armed Forces' Joint Chiefs of Staff, today installed Sea Captain Carlos Carbone as the new head of the Antarctic Joint Command in a ceremony held on the "Uruguay" corvette, which is riding at anchor at the Vuelta de Rocha in the Buenos Aires district of La Boca.

The new commander, who replaces Sea Captain Ricardo Corbetta, will be in charge of organizing the 1994-1995 Antarctic Campaign.

In his prior post as commander of the Argentine Navy's "Admiral Irizar" Antarctic vessel he commanded operations to resupply Argentina's Antarctic bases.

Discord Over Buenos Aires Reform Discussed

94SM0293A Buenos Aires LA PRENSA in Spanish 11 Mar 94 p 5

[Article by Maria Ines Espeche and Ana Gerschenson: "The Capital Is Jeopardizing the Pact"]

[Text] "The direct election of the mayor and the reform of Buenos Aires City:

"a) The people of the city of Buenos Aires will directly elect their chief of government.

"b) The city of Buenos Aires will be granted a special constitutional status that will recognize its autonomy and its own legislative and jurisdictional powers."

(From the Basic Points of Agreement of the pact signed in Olivos by President Carlos Menem and Raul Alfonsin)

The measures contained in the Olivos pact have already begun to unravel. The bone of contention is none other than the autonomy of the Federal Capital and its new legal status. Apparently, government officials are trying to "block" the legal and economic independence of the city and leave alone only the direct election of the mayor at the Constituent Assembly in Santa Fe. President Menem himself urged the squabbling factions in the Buenos Aires Justicialist Party (PJ) to end their fighting and put off decisions on the future plan.

The "provincialization" of the Federal Capital would inevitably bring with it the creation of new local institutions, the drafting of a metropolitan constitution, the formation of a local police force (the neighborhood precincts would come under the jurisdictions of the city), and a new local judiciary, plus the possible replacement of the Deliberating Council by a Buenos Aires legislature.

But what is especially upsetting to more than one sector of the national government, particularly the Economy

Ministry, is that it will not be able to refuse to turn over the lion's share of its funds to a new "city state" with full autonomy.

No Buenos Aires politician doubts that this is "the debate that will come on the heels of the Constituent Assembly."

The leaders of the metropolitan PJ who are part of the president's inner circle would be willing to tolerate the emergence of a "chief of government" elected by popular vote. "What they cannot stomach," claim some former Grossists, "is that on top of that, the new mayor would have control of the huge budget of the new province."

Even Carlos Corach, the number-one candidate to represent the capital at the Constituent Assembly, told LA PRENSA that he does not agree with the formation of a metropolitan judiciary or a local police force. "That would result in more useless bureaucracy," he declared, expressly contradicting the paragraph of the Olivos pact that states: "...the city of Buenos Aires will be given a constitutional status that will recognize its autonomy and its own legislative and jurisdictional powers."

"Here it is evading an internal debate within the PJ," says Simon Lazara, spokesman for Raul Alfonsin, when asked about the possibility that the Radicals' agreement with Menem may fall apart. While it is an open secret that within the Buenos Aires PJ there is "an internal power struggle between Corach and Ruckauf to control the capital," when it comes to the issue of the city's autonomy, the minister agrees with the legal and technical secretary that "it is not necessary" for the city to have its own police and court system.

"What they are forgetting," whispers a former Justicialist deputy, "is that they will not be ministers or government officials for the rest of their lives; they will not last 100 years."

On the other hand, Alfonsinist Jesus Rodriguez, a deputy who favors the pact, promised that at the Constituent Assembly "we will defend our neighbors, because I do not trust the Menemists when they talk about autonomy."

This issue, about which the Justicialists have clearly not reached a consensus (although they do not admit that in public), will be the subject of a meeting next week between the PJ deputies and Constituent Assembly candidates, both those in the capital and those in Buenos Aires Province. There they will try to forge a united position so that there will be no more contradictions, at least not in public.

"The Name Is Mine"

It should be noted that Governor Eduardo Duhalde recently brought up the "identity crisis" that Buenos Aires residents would suffer if the city were to keep its current name. It was then that he proposed the name "Santa Maria" for its third incarnation, after it has achieved full autonomy.

"All the patrol cars that used to say 'Buenos Aires Provincial Police' now say 'Buenos Aires Police,' to get people used to the idea of Buenos Aires in the district," the distressed governor explained to Buenos Aires PJ Deputy Jorge Arguello, author of the first autonomy plan for the capital.

Despite the "psychological crisis" the residents of the metropolitan area may suffer, on this side of General Paz no one, Justicialist or Radical, is willing to give up the label "Buenos Aires City," which will inevitably set the stage for confrontations here and there in the future.

Some suspicious types speculate that what really bothers Duhalde is "the emergence of a man who will be as strong as he is as governor of what until now has been the country's most important province."

The chief of government, a title agreed upon by the Radical Civic Union (UCR) and the PJ, will be politically and economically powerful enough to negotiate on an equal footing on issues such as the exodus of "the 6 million people who come into the capital each day to be treated at Buenos Aires hospitals."

To top it all off, Deputy Enrique Benedetti, a De la Rua political operative, did not hesitate to give LA PRENSA this diagnosis: "This is another 'leak' in the pact. First there is Levene, who does not want to give up the [Supreme] Court; now we have the autonomy issue. The next thing you know, they will say that Menem's reelection will not be for one term, but will be good for the rest of his biological existence."

[Box, p 5]

Everyone Wants To Be "Chief of Government"

Being elected top leader of the Federal Capital by popular vote is the pinnacle of politics for more than one Buenos Aires official, regardless of party affiliation. The matter has sparked more than one internal feud.

The list includes those who secretly yearn for the office, as well as those who have already announced it loud and clear.

Among metropolitan Justicialists, former Grossists and Menemists are fighting over the right to be the elected "figure"; everyone from recent PJ acquisition Adelina Dalesio de Viola to Comprehensive Medical Assistance Plan (PAMI) Director Matilde Menendez, and including Legal and Technical Secretary Carlos Corach, Public Function Secretary Claudia Bello, and Interior Minister Carlos Ruckauf, wants to take Bouer's place in 1995.

After the recent elections in the capital and the dimming of his presidential prospects, Radical insiders say that Senator Fernando de la Rua has expressed a desire to wear the mayor's sash. But the man who opposed the

pact will not have a smooth road ahead of him. Alfonsinist Deputy Jesus Rodriguez has already secretly begun pulling his political strings to enter the race for the same job.

The appearance on the scene of Socialist Councilman Norberto Laporta, who swept the metropolitan elections last 3 October, has dashed more than one private hope. "El Chichon" [the jolly one] has reportedly taken the idea so seriously that many say this was the real reason why he declined to enter into an alliance with the Great Front. "With the race for the city leadership so close at hand, he could not risk having his image tarnished," Socialists assert with conviction.

There is also optimism in the front. The person who emerges as the "best of the candidates" is former Prosecutor and Councilman Anibal Ibarra. The opinion polls indicate he is a man to be reckoned with, especially since he was so instrumental in exposing irregularities in the PAMI.

Another person rumored to be vying for a position on the list of possible candidates is retired Brigadier General Osvaldo Cacciatore, who made no secret during his unsuccessful campaign for deputy as a member of the metropolitan Democratic Center Union (UCeDe) that he would like once again to hold the office that was once his.

[Box, p 5]

Third Incarnation

A series of legal steps must be taken before the city can be declared "autonomous."

- It must be approved by the National Constituent Convention.
- After that the second stage will begin, the local constituent process, when limits will be set and terms will be defined.
- If Article 3, Paragraph 27 of Article 67, and Paragraph 3 of Article 86 of the National Constitution are amended at the convention, the way will be clear to advance toward autonomy.
- Until autonomy is declared and the new institutions of Buenos Aires City are installed, Congress will continue to be the local legislature.
- After the Constitution is amended, Congress will pass a law calling an election for delegates to a Buenos Aires Constituent Assembly.
- Each party will have to draw up a city model to present to the people, set in motion an electoral process, elect delegates to the Constituent Assembly, draft the constitution of the autonomous city, and once it is approved, set in motion the institutional process.
- The Deliberative Council will be replaced by a legislature of the new city.
- It will have a special constitutional status.
- It will continue to be the nation's capital until Congress passes a law transferring that status; it may or may not declare the capital to be federal.
- Although there is a general consensus on autonomy, the debate will begin with what city model each party will offer. Moreover, it will have a direct impact on the quality of life of the citizens. This is a foundational stage, the most important one since the city was federalized in 1880.

Bolivia

Coca Producers Sign Agreement, Suspend Patrols

PY2903190194 La Paz Television Nacional Network in Spanish 1700 GMT 29 Mar 94

[Text] Coca producers from Cochabamba's tropical region have suspended their peasant and self-defense patrols following the signing of an agreement with the government. They will maintain alert, however, until the government fulfills its promises. The report was provided by coca producers leader Evo Morales to Fides News Agency.

Morales said they will fulfill their part of the agreement with the government and will wait a prudent period of time to see the results of the alternative development program.

Chief: Drug Traffickers Infiltrate Pando Police

PY2903192294 La Paz PRESENCIA in Spanish 16 Mar 94 Section 2 p 1

[Text] Cobija, 15 Mar (ANF)—According to a "sincere and painful confession" made by Colonel Mario Flores Alanez, the new Pando Police Department commander who has become the terror of drug traffickers and criminals in less than one month, the passivity of officials has allowed drug traffickers to infiltrate the Pando Police Department.

Commenting on recent counternarcotics operations in Trinidad—joint forces operations that took everyone here by surprise—Col. Flores said: "As I have reported to my superiors, I must confess that our command did not offer any guarantees. Drug traffickers were informed about our actions. I have expressly requested the transfer and even discharge of some officers charged with specific felonies."

According to the police chief, the infiltration of drug traffickers has caused the failure of at least two operations in recent weeks. In view of this situation, he was compelled to make changes in the Police Intelligence Department. Only then was he able to arrest eight drug distributors. Nevertheless, and despite the adoption of strict measures, at the last minute he almost lost his prisoners when some relatives and groups hired by drug traffickers promoted a riot to try to free those under arrest.

Police are looking into this riot against the police, which was intended to look like a spontaneous action. Col.

Flores said that at first even the local civic committee was involved, "but fortunately everything has been cleared up."

Based mainly on the testimony of those arrested, it has been established that in Pando there is an organization operating in different circles with the direct or indirect support of groups in power that are acting knowingly or unknowingly.

The investigation started with the arrest of drug users who identified the places where the merchandise was sold and drug distributors. After their arrest, the latter in turn supplied information on the drug distribution networks and the obtaining of supplies from the country's interior. As a result, one of the leaders of this group was arrested in Trinidad. He has been identified as Desiderio Rodriguez, who two weeks ago transported a cocaine shipment from Santa Cruz to Cochabamba.

Rodriguez reportedly supplied valuable information on drug suppliers and drug trafficking financiers, among whom are well-known people in the region. It has been learned that a common fund was established to purchase drugs and "huge" profits were distributed among the investors who pretend to ignore how their money is illegally used." [quotation marks as published]

The investigations in Pando will continue in greater depth because it has been confirmed that a Special Antinarcotics Force unit has been installed in Trinidad.

Police Seize 500 Kg Cocaine, Destroy Huge Lab

PY3003010394 Santa Cruz EL MUNDO in Spanish 20 Mar 94 p 13

[Excerpts] The Special Antinarcotics Fight [FELCN] command destroyed on 19 March one of the largest cocaine processing laboratories that have been found in the last few years. In an operation called "Canaveral" which took place at 1330 on 18 March, the FELCN found the laboratory located 5 km in a straight line west from Viru Viru Airport, near the Sanchez valley. The FELCN could not, however, arrest any of those who had been processing the drugs until a few minutes before the operation. The laboratory had the capacity of processing some 300 kg of cocaine per week with a degree of purity that is not common in our country.

The FELCN had been informed that a cocaine shipment had left the laboratory to be sent to Brazil. The FELCN agents nevertheless found more than 500 kg of cocaine in various processing stages at the site. According to experts, the drugs were being processed in accordance with severe norms aimed at obtaining an ideal substance for export. The laboratory was inside a nearly 20 hectare farm planted mostly with sugarcane. The La Belgica sugar mill is 15 km from this laboratory.

FELCN District Commander Colonel Hector Frias Cardozo did not reveal the names of those arrested because of this operation, but it has been unofficially reported that at least four suspects have been identified. A second stage of this operation is still being conducted at the capital of Santa Cruz Department, to identify the owner of the farm and those who are involved in the illegal activity. Apparently the laboratory has been operating at the site for at least one year. [passage omitted]

Together with the drugs, the FELCN agents burned 90 liters of ammonia, 13 kg potassium permanganate, two kg caustic soda, 200 kg calcium chloride, 175 liters of sulphuric ether, 50 liters of sulphuric acid, seven kg manitol, and 400 liters of acetone. [passage omitted]

Brazil

Cardoso Accepts PSDB Presidential Nomination

PY2903232394 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 29 Mar 94

[Text] Finance Minister Fernando Henrique Cardoso has said that he is a candidate for president of the Republic. Minister Cardoso today received the PSDB [Brazilian Social Democracy Party] leaders. Speaking in the name of his party, PSDB President Tasso Jereissati invited Cardoso to become a presidential candidate. Jereissati said his party considers Cardoso's candidacy indispensable.

In his speech to the PSDB leaders, Minister Cardoso said he accepted the nomination and would carry the banner of victory because, according to him, it is the best way in which the economic plan can be complied with.

Cardoso said that the country is tired of corruption, inflation, and poverty. He told his PSDB colleagues that he will officially inform President Itamar Franco of his decision to step down from his ministry to become candidate for president of the Republic during the cabinet meeting that is taking place right now at Planalto Palace.

Economic Program To Be Platform

PY3003131394 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 30 Mar 94

[Report by Corban Costa]

[Text] Fernando Henrique Cardoso bade farewell as finance minister to President Itamar Franco last night. He announced that his platform as a presidential candidate will be his economic plan.

Cardoso agreed to be the Brazilian Social Democracy Party presidential candidate during a meeting with party leaders yesterday. He will today hand the president of the Republic his resignation letter. Cardoso said the economic plan will not be changed by the installation of Ambassador Rubens Ricupero as the new finance minister.

[Begin Cardoso recording] He has already talked to the economic team and he is keeping them all in their positions.

We have high esteem for Minister Ricupero; we believe he will help very much in the implementation of the government action plan, which was proposed by me but is the government plan and belongs to the entire country. The plan will not be changed. [end recording]

Minister Fernando Henrique Cardoso will grant a news conference later today and then leave for Sao Paulo where he will spend the Holy Week holidays.

The new finance minister will be installed next week.

Fleury To Support PMDB Candidate, Not Cardoso

PY3003131494 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 30 Mar 94

[Text] After talking with Finance Minister Fernando Henrique Cardoso, Sao Paulo Governor Luiz Antonio Fleury Filho said he will not support Cardoso's presidential candidacy. He will instead support the Brazilian Democratic Movement Party [PMDB] candidate.

He favors holding primaries at the PMDB to choose a consensus candidate for the party. He added, however, that he will campaign for Orestes Quercia.

There are three candidates for the PMDB primaries: Orestes Quercia, Governor Roberto Requiao, and former President Jose Sarney, who is a senator.

Mayor Maluf 'Not To Run' for Presidency

PY3003131694 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 30 Mar 94

[Text] Sao Paulo Mayor Paulo Maluf has decided not to run in presidential elections. After meeting with the leaders of the PPR [Progressive Renewal Party], Maluf reported that he will finish his term as Sao Paulo mayor. The leaders reported that the party will have a presidential candidate and that the most supported name is that of Senator Espiridiao Amin.

Article Views U.S. Trade Official's Visit

PY2903161794 Sao Paulo GAZETA MERCANTIL in Portuguese 25 Mar 94 p 5

[Article by Maria Helena Tachinardi]

[Text] U.S. Under Secretary of Trade Jeffrey Garten on 28 March will meet President Itamar Franco and several ministers to promote the interests of U.S. enterprises, particularly those in the areas of telecommunications, intellectual property rights, and supplying equipment for the Sivan/Sipam project for monitoring the Amazonas—whose deadline for presentation of financial proposals by the international community expires on 5 April.

Garten, who will arrive in Brazil on 27 March, on 28 March will meet Strategic Affairs Secretary Mario Cesar Flores, who runs the Sivan project; President Franco; the ministers of industry, commerce, and tourism, and science and technology; and Jose Arthur Denot Medeiros, Itamaraty's official in charge of economic affairs.

The objective of Garten's visit—he also will visit Sao Paulo to meet entrepreneurs and then will leave for Argentina and Chile—is to promote U.S. enterprises' interests within the framework of the large emerging markets, like those in the countries he will visit.

Garten's visit will be made after that of U.S. Vice President Al Gore, who reiterated to Communications Minister Djalma Moraes his country's concern over the alleged difficulties that U.S. telecommunications and informatics enterprises face when trying to enter the Brazilian market. Garten's visit also will be made within the framework of a recent exchange of letters between Science and Technology Minister Jose Israel Vargas and U.S. Secretary of Commerce Ron Brown, who complained about alleged restrictions in the Brazilian telecommunications market.

Garten recently provoked a diplomatic incident when he made negative references to Brazil.

The Brazilian Embassy in the United States immediately sent a letter to Garten expressing "surprise" over his statements, because the next day the World Bank announced that "Brazil has made significant progress in his commercial reform."

Garten recently announced that the United States is designing a new commercial strategy aimed at 10 specific developing countries: Brazil, China, Mexico, Indonesia, India, the Republic of Korea, Argentina, South Africa, Poland, and Turkey.

According to Garten, the new commercial policy with those countries, which are grouped under the label of "big emerging markets," [preceding three words in English] was designed in proportion to their economies, to their capacity to expand over neighboring economies, and to their potential for U.S. exports. Garten recently said that within the next few years, most of the U.S. commercial expansion will come from the emerging economies, even if Europe and Japan remain the U.S.' main commercial partners. U.S. exports to those countries amounted to $102 billion in 1992, one-fourth of U.S. exports.

Central Bank Secretly Bought U.S. T-Bills

PY2903170394 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Mar 94 p B3

[Article by Nelson Luiz de Oliveira from Brasilia]

[Text] During a briefing session before the Senate's Economic Affairs Committee on 24 March, Finance Minister Fernando Henrique Cardoso and Central Bank (BC) President Pedro Malan acknowledged for the first time that the BC had made secret transactions since last November. These transactions involved the purchase of

$2.8 billion in securities to be used as collateral for the agreement with creditor banks.

According to Cardoso, the absolute secrecy with which the transactions were made was due to the need to "protect the country from speculators." Malan, who suggested the securities' purchase to Cardoso, explained to senators that the government deemed it advisable to hedge against a possible U.S. Treasury refusal to place a special issue of securities for Brazil on the market—which was what indeed occurred.

The Senate—which is co-responsible for negotiating the rescheduling of Brazil's external debt—was not notified of the transactions made by the BC on the secondary international markets. According to Cardoso, only himself, Malan, and BC Foreign Area Director Gustavo Franco knew about the "hedge" [preceding word in English] (protection) strategy. The minister neither said nor was asked whether President Itamar Franco was informed about the collateral's secret purchase.

Cardoso authorized the BC to purchase collateral last October or November on the condition that the securities constituted a good deal regardless of their possible use in the debt-rescheduling agreement. A source close to the BC reported that the 30-year-maturity U.S. T-bills that were purchased had been on the market for some time.

Senators voiced distrust about this event until 23 March. Senator Espiridiano Amin (PPR-SC) [Progressive Renewal Party-Santa Catarina] went as far as accusing Cardoso of using the debt-rescheduling agreement for electoral purposes. On 24 March, however, the atmosphere was calm again and all the members of Congress questioned endorsed Cardoso's decision not to disclose details about the transactions—cost and interest rate—before reaching an agreement with creditor banks on 15 April.

According to Senator Jose Focaga (PMDB-RS) [Brazilian Democratic Movement Party-Rio Grande do Sul], rapporteur of Resolution No. 96 that ratified the agreement's terms, the T-bills' secret purchase does not harm the Senate's guidance. Malan believes the agreement approved by senators did not entail the U.S. Treasury's special issue.

Malan termed "pure speculation" estimates to the effect that the BC had to pay between $60 million and $80 million more for the collateral as a result of purchasing it directly on the market. According to Malan, speculators were not able to detect the BC action in time. In any case, Malan considered it much more important that the BC strategy enabled working out an agreement with creditor banks. Malan made it clear that the U.S. Treasury will not issue T-bills especially for Brazil unless the latter reaches an agreement with the IMF.

Oligopolists' Control of Economy Viewed

PY2903221094 Rio de Janeiro O GLOBO in Portuguese 27 Mar 94 p 38

[Article by Marcelo Rehder and Cleide Carvalho]

[Text] Sao Paulo—Brazilians wear, drive, smoke, eat, and drink products manufactured by oligopolists; that is, economic groups that control their sector of the market. Because there are only a few of them, they control prices. The influence of these economic groups on the lives of ordinary citizens goes from the cement used for refurbishing a house to the cigarette a person smokes with a cup of coffee, and encompasses a spectrum from razor blades to sugar-cane firewater. Is this just fantasy? Not at all. The above assertion is based on facts.

The Votorantim and Joao Santos groups, for example, account for 70 percent of cement sales—worth nearly $2.6 billion annually—on the Brazilian market. Souza Cruz and Philip Morris control 98 percent of the cigarette sales while Gilette controls 81 percent of razor blade sales. Believe it or not, three groups—Pirassunga 51, Velho Barreiro, and Pitu—control at least 51 percent of the sugar-cane firewater market.

Luciano Coutinho is an economist from the State University of Campinas (Unicamp) who was hired by the government to coordinate a study on the competitiveness of Brazilian manufacturing companies. The study was recently delivered to the government. Coutinho says: The Brazilian economy comprises mainly oligopolists. A few companies and brand names control the market, leaving only a small segment for their competitors.

Even in sectors where there are hundreds of manufacturers, only a few are able to set prices. For instance, there are between 1,200 and 1,500 textile manufacturers, but their prices are closely tied to those set by half a dozen large companies such as Hering, Pettenati, and Alcatez. Although there are many brands of jeans, Vicunha and Alpargatas-Santista control 72 percent of the supply of denim, so they control garment manufacturers too.

The same happens in the area of fibers and synthetic yarns. Rhodia, Fibra (Vicunha Group), and Celibras control 75 percent. To give an idea of how prices are pushed up, one only needs to look at a survey conducted by the Industrial Marketing and Studies Institute (IEMI). While garment prices increased by 81.23 percent this year, textile prices increased by 101.64 percent.

When it comes to electronic equipment, Brazilians are controlled by oligopolists. Just four manufacturers—Sharp, Philips, Philco, and Semp-Toshiba—supply 69 percent of all television sets at a total annual cost of nearly $1.1 billion. Domestic manufacturers do not have much a choice because only RTC-Sharp and Philips supply television tubes. Except when produced by autonomous manufacturers, all ice cream comes from two

companies: Kibon, which accounts for 80 percent of the sales; while Nestle accounts for the rest.

The Philip Morris group owns Kibon, which operates only in oligopolistic sectors. In addition to its undisputed leadership in ice cream, Philip Morris also controls 70 percent of the sale of powdered soft drinks through its brand name Tang and 20 percent of cigarette sales through its brand names Marlboro, Galaxy, and L&M. Notwithstanding all this, Clodoaldo Celentano—financial director of the Philip Morris group—contends that there is "a tough competition" in each of these three sectors.

Celentano said: Some oligopolists may reach price agreements under certain circumstances, but this is not our case. Cigarettes, for instance, face tough competition because the government is a majority partner in this sector. The government is interested in maintaining its tax revenues, which account for 73 percent of the price of each pack of cigarettes.

Few companies are as closely identified with the word oligopoly as Gessy Lever. Although its president, Umberto Aprile, recently told O GLOBO he did not understand the meaning of the word oligopoly, Gessy Lever—a subsidiary of the British-Dutch group Unilever, one of the world's largest groups—plays a significant role in various concentrated sectors of the economy. Among others, it accounts for 72 percent of the powdered soap market. It also accounts for nearly 30 percent of margarine sales.

Gessy Lever, which tomorrow will have to justify its price increases in URV's [Real Value Units] before the Finance Ministry, is not willing to leave any room for its competitors. In addition to controlling 75 percent of the powder soap market, it has just invested $56 million in a recently opened factory in Minas Gerais State, which will increase its annual production to 550,000 tons—well above the annual domestic consumption of 420,000 tons.

Other companies operate in concentrated sectors of the economy, but they are less noticeable and are thus able to keep a lower profile. This is the case of companies manufacturing fiber-cement roofing sheets and water tanks. Brasilit and Eternit control virtually half of this sector, and their factories have been consolidated in the past two years. Furthermore, the French group Saint Gobain, the owner of Brasilit, owns 17 percent of Eternit shares with voting rights. Additionally, these two companies own Sama, the only producer of fiber-cement in the country.

Carlos William de M. Ferreira, assistant to the chairman of Brasilit, said: This does not mean that there is a concentration of economic power in this sector.

A price survey conducted by the Sao Paulo State Association of Civil Construction Industries shows that this concentration in no way benefits its customers. Of a list of 65 construction materials, fiber-cement roofing sheets registered the highest increase in URV's in February—38.15 percent—compared to the average increase during the last fourth-month period of 1993.

Chile

U.S. Tobacco Restrictions Prompt GATT Protest

PY3003010094 Santiago Radio Cooperativa Network in Spanish 2300 GMT 29 Mar 94

[Text] Chile and seven other countries have made a presentation within GATT against the United States. The presentation contained claims against U.S. measures affecting the sales of tobacco on the U.S. market.

This information was released by the Foreign Ministry through an official communique stating that the Chilean Government and the governments of Argentina, Brazil, Colombia, El Salvador, Guatemala, Thailand, and Zimbabwe have made a joint presentation.

The presentation was made before the GATT panel, which has canceled the kinds of measures adopted by the United States, which affect the import, sale, and use of tobacco on the U.S. market.

The measure adopted by the United States, the Chilean Foreign Ministry states, is based on the U.S. budget law, which imposes several restrictions on imported tobacco, among them that cigarettes should contain at least 75 percent of tobacco produced in the United States. Failure to comply with this regulation will prompt the imposition of heavy fines, the U.S. law sets forth. The U.S. law was approved on 10 August 1993.

The Chilean Foreign Ministry states that such regulations violate GATT agreements, particularly Article No. 3, which forbids the enforcement by countries of local regulations, that is, regulations compelling the total or partial use of local raw materials for any product.

Considering that this regulation affects the importation of Chilean tobacco, the Foreign Ministry adds, the Chilean Government supported the presentation to the respective panel, awaiting a favorable decision, which should be made within the next few months.

Experts To Leave To Negotiate Mirage Purchase

PY3003030394 Santiago Radio Cooperativa Network in Spanish 2300 GMT 29 Mar 94

[Text] A commission of Chilean experts will travel to Belgium this week to participate in negotiations for the possible purchase of Mirage bar's (Mirsip) [Mirage Safety Improvement Program]. This information was released by Under Secretary of Aviation Mario Fernandez after attending an academic briefing on the subject held at the Political Science Institute of the University of Chile.

[Begin Fernandez recording] As far as I know, a commission will be traveling within the next few days. It is part

of the decisionmaking process. I responsibly said here—just as ex-Defense Minister Patricio Rojas put it before leaving his post—that substantial progress has been made toward making a decision on the Belgian Mirages. This does not mean a final decision has already been made. Several steps are still to be taken, and they are the steps that the Air Force and the Defense Ministry are responsibly taking. [end recording]

Mario Fernandez added that the purchase of these planes was announced at the end of the previous administration by then Defense Minister Patricio Rojas, and that this was a gesture of political responsibility.

[Begin Fernandez recording, in progress] ...because the entire process of the examination of various alternatives for replacement of the Hunters, which the Chilean Air Force has implemented, to some extent reached a conclusion during the previous administration.

Upon conclusion of the process, it is obvious that the government had to make a decision to support this technical decision. Before leaving his post, ex-Minister Rojas made the decision and announced it. In this regard I believe that the proper conclusion of all the proposals or initiatives of an administration is a gesture of political responsibility. [end recording]

If the deal is finally made, the Belgian planes will replace the obsolete Hawker Hunters which the Air Force has used since the end of the 1960's. Experts have noted the importance of the possible purchase of the Mirages, which will give our Air Force top offensive power in this part of the world.

Air Force Chief Vows To Meet 'Space Challenges'

PY2903185794 Santiago EL MERCURIO in Spanish 22 Mar 94 p C5

[Text] General Ramon Vega, commander in chief of the Chilean Air Force [FACh], has reaffirmed that the FACh is facing space challenges and called upon politicians to clearly define defense policies that will take these new objectives into account.

Vega made these remarks during a speech he delivered on 21 March at El Bosque Air Base to mark the FACh's 64th anniversary.

The ceremony was presided over by President Eduardo Frei Ruiz-Tagle and attended by Interior Minister German Correa, Defense Minister Edmundo Perez Yoma, acting Senate President Ricardo Nunez, Army Commander Augusto Pinochet Ugarte, Carabineros Director Rodolfo Stange, and Vice Admiral Jorge Patricio Arancibia, chief of the National Defense Staff.

Also attending the ceremony were four defense ministers from friendly countries who had been invited by the FACh to attend Fidae '94 [International Aerospace Fair]. They are: Oscar Camilion (Argentina), Army General Victor Malca Villanueva (Peru), Daniel Hugo Martinez (Uruguay), and Hugo Estigarribia (Paraguay).

Those defense ministers met on 21 March with their Chilean counterpart at the Diego Portales building.

Commanding officers from the air forces of Argentina, Germany, Austria, Belgium, Bolivia, Brazil, Colombia, Ecuador, China, France, Russia, and Venezuela also were present at El Bosque Air Base. They are all attending Fidae '94 too.

In his 25-minute speech, Gen. Vega stated that the sphere of action and influence of a modern air force must be in keeping with national security commitments coherent with the country's development and with space challenges facing the institution. "From a multipurpose perspective, from the standpoint of FACh capabilities regarding space sciences, it is obvious that FACh tasks go far beyond the principles and limits of this concept."

The FACh chief said that to solve this problem it is incumbent upon the highest political level to outline specific objectives, scope, doctrines, and purposes.

Vega added that ties between the government leadership and the FACh leadership must be strengthened to become "a symbiosis between politicians and experts" that would be instrumental in defining permanent guidelines aiming at higher objectives, "all of which must be fully integrated into the nation's overall aerospace system."

In his speech, Gen. Vega reaffirmed that the FACh is committed to meeting the challenges posed by space, "a vital resource for a nation that is seeking to go hand in hand with modernity."

Vega noted that the FACh has worked for two years in this endeavor and already has implemented a project to build an experimental microsatellite to evaluate four basic experiments: the evaluation of the ozone layer, the transfer of meteorological data, communications, and search and rescue operations.

Vega added that the Fasat-Alfa project is an essential first step toward acquiring the basic scientific experience required to move on to more difficult, complex stages.

After the speech, there was a ground parade and an air show. For the first time in Chilean history, Peruvian and Argentine military aircraft participated in this show.

Air Force To Launch First National Satellite

PY2903182894 Santiago LA TERCERA DE LA HORA in Spanish 17 Mar 94 p 8

[Article by Hernan Garcia]

[Text] The Chilean Air Force (FACH) will put the first national satellite into orbit in 1995 from a still undefined launch platform. The satellite will be carried by a rocket of the "Ariane" project design from the British company "Surrey Satellite Technology" of Surrey University.

The satellite is called "Fasat-1" and is being developed by a group of Chilean and British aeronautic engineers. It weighs 50 kg and has four 80-centimeter sides. Initially, it will be placed in a low polar orbit 800 km from earth. It has a useful life span of six years.

The satellite may be launched from platforms in French Guyana, Baykonur in Russia, or PRC platforms in Jiuquan or Jichank.

According to the agreement signed with the British company—which already has launched five similar satellites and manufactured two other ones for the ROK and one for Portugal—two models will be manufactured. One will be put into orbit and the other will be a prototype to check on the flight design, develop the software, and then correct possible mistakes.

This microsatellite, as it is defined in accordance with its international rank, will carry four experiments: communication with remote meteorological sites, aeronautic link with planes flying distant routes such as the Santiago-Easter Island route, permanent monitoring of emergency signals from planes and ships involved in accidents, and experiments with the detection of atmospheric ozone.

The government plans to decisively incorporate space technology into the national community and create a national consciousness about the importance of this area as a logical prospect for future FACH action.

This is why the government plans to stimulate educational and research organizations to analyze new ways of entering this advanced field. Currently, 15 FACH officers who are taking postgraduate courses in space sciences are working in this program. Three of them are taking a master's course on the subject.

As a result of the agreement with the British company, the program has the two following stages. Immediately after the first satellite, "Fasat-2" will be launched. It is a constellation comprised of three microsatellites to be put into different orbits and will be manufactured in Chile. Finally, the "Geosat" will be launched in no more than 15 years.

The "Geosat" will ensure a national telecommunications service based on two satellites placed in a geostationary orbit 36,000 km above the earth.

To make this initiative available nationwide later on, the beginning of the FACH experimental conquest of space will be explained at the Technology Pavilion of Fidae '94 [International Aerospace Fair), which begins 20 March.

Army Studying Replacement of Armored Vehicles

PY3003014994 Santiago EL MERCURIO in Spanish 22 Mar 94 p C5

[Text] The Chilean Army is studying ways to replace its oldest armored vehicles, particularly the overhauled Sherman tanks that have been in service since the late 1950's.

This replacement will probably be made easier following the end of the Cold War in Europe and the disarmament treaties signed in that continent, which means a large number of very good quality tanks are being sold at very low prices or even being given away.

Like other National Defense branches, the Army is undergoing a modernization process that includes the replacement of its old armored vehicles, which currently do not surpass 300. Most of them are Sherman and M-41 tanks that were in use at the end of Second World War.

Through agreements with other countries, our country has the necessary technology to co-manufacture artillery systems, trucks, short-range weapons, and rocket systems like the "Lightning."

Asked about possible plans to replace Army hardware, General Augusto Pinochet, the Army commander in chief, replied that the Army neither comments on nor publicizes its acquisitions.

"We do not display our things ... we would rather be discreet," he noted.

It was leaked that a European nation may soon supply Chile with a fleet of medium-sized French AMX-30 or German Leopard-1 tanks in a number comparable to the Sherman tanks that are now in service.

Meanwhile, the Army has decided that, until a deal is finalized, it will refurbish its oldest hardware.

Brigadier General Luis Iracabal, the Famae [Army Ordnance] director general, has said there have been preliminary talks about replacing the tanks but there has not been "a real institutional need" to close any deals.

He pointed out that "Famae has refurbished several tanks and jeeps, fitting them with anti-tank cannons with the help of the Army's War Material service."

Gen. Iracabal said the only alternative for an Armed Forces without large resources at their disposal is to maintain their equipment in good condition.

"We are now working at full speed on the manufacture of an armored personnel carrier—the Mowak 8 x 8—since this project is behind schedule," he noted.

Asked about the presence of Famae at the FIDAE [International Aerospace Fair] '94, Gen. Iracabal said Chilean Army's most important military manufacturer is exhibiting a new anti-aircraft system, which was entirely designed in Chile.

The "Lynx" was developed in partnership with Linxtronic [not further identified] and consists of a defense radar mounted on a truck, which can be fitted with up to 16 different systems of anti-aircraft weapons, such as missiles and rapid-firing cannons, even of Russian origin.

He explained that the system, which is totally computerized, can track anything at a distance of 40 km and aim the interconnected weapons at the target.

Colombia

Oil for Cuba Conditioned on Payment Guarantees

PA2903211094 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 27 Mar 94

[Text] Santa Fe de Bogota—The lack of payment guarantees could cause negotiations for oil sales between Colombia and Cuba to fail. According to the government, sales might be possible only if Cuba complies with conditions established by Ecopetrol [Colombian Petroleum Enterprise] for the sale of crude on the international markets. A spokesman for the [word indistinct] ministry said no concessions will be made.

According to official sources, Cuba has offered to cover the cost of the negotiations with sugar, in a three-party transaction that is not acceptable to Colombia. The island government would reportedly sell sugar—the island's main source of currency—at low prices to a third country. That nation, which has not been further identified, would resell the sugar on the international market. With the proceeds from the sale, this nation would then pay Colombia for the oil sold to Cuba.

An official spokesman said: We prefer a letter of credit. As long as there are no payment guarantees, there will be no negotiations. He explained that until now President Castro's government has not made another proposal. The failure of the negotiations, which are now practically suspended, would not be due to international pressures exerted after the negotiations were announced but because Ecopetrol's conditions for negotiations of this type have not been met, the government said.

De Greiff Criticized Over Surrender Talks

94SM0297A Santa Fe de Bogota SEMANA in Spanish 15 Mar 94 pp 32-34

[Article: "War Secrets"]

[Text] *SEMANA reveals unknown details about the increasingly obvious two-month-long confrontation between the Prosecutor General's Office and the government.*

At 0830 Saturday morning, Julio Fabio Urdinola Grajales, a member of the Cauca Valley drug trafficking organization, appeared at the Palmira jail to turn himself in. The surrender came at a precise time when relations between the government and Prosecutor General Gustavo de Greiff had reached their most critical point. This was not only true because of the flexible, accommodating position which the government thinks De Greiff has taken on the surrender of the Cali cartel kingpins, but also because of explosive revelations made the preceding week at a Special Security Council meeting on the criminal activities of members of the Medellin Cartel being held at La Picota and La Modelo prisons in the capital whom the prosecutor general wanted to move to Itagui once again.

The situation has reached such a point that the prosecutor general has in recent days given serious consideration to the possibility of accusing Minister of Justice Andres Gonzalez of malfeasance before the Supreme Court. The government promptly considered the possibility of accusing De Greiff of "collaborating with drug trafficking," SEMANA was told by one well-placed source at Casa de Narino. Things were made even worse, observers say, by the legal and personal controversy involving the prosecutor general and top-ranking government officials which is doing serious damage to the image and credibility of the institution he represents.

Problem With Cali

The wrangling between the prosecutor general and the government began even as talks began for the surrender of the Cali Cartel organization. De Greiff cast the first stone in the United States when speaking at a seminar in Baltimore. He stated that the war on drug trafficking had been lost and that consequently, the drug business should be legalized. By that time, the prosecutor general's talks with the attorneys for the Cali Cartel were already off the ground.

De Greiff also stated his intention of allowing house arrest for members of the cartel, to which the minister of justice immediately responded that house arrest was not part of the surrender policy. However, the straw that broke the camel's back was the meeting which De Greiff held with three recognized drug traffickers in the Valley: Helmer Herrera, better known as "Pacho Herrera," Jose Olmedo Ocampo, and Juan Carlos Ramirez, whom he certified based on Article 369E of the Code of Criminal Procedure.

The confrontation became so obvious that no one is even trying to conceal it any longer. When rumors circulated in the past concerning such differences, the prosecutor general, ministers, attorney general, and president himself hastily denied them. When SEMANA divulged these differences for the first time a month and a half ago, the prosecutor general sent an indignant letter to this periodical and Gaviria told the daily newspaper EL TIEMPO that "there are no differences with De Greiff." This time, however, not only did the same personages not deny the dispute, but they made no effort whatsoever to hide it.

Itagui Problem

The final break between the prosecutor general and the government started at a special Security Council meeting on Monday, the 7th, when, based on intelligence reports from DAS [Administrative Department of Security], DIJIN [Judicial and Investigative Police Directorate], and the National Penitentiary Institute (INPEC), an order from De Greiff to transfer Carlos Mario Alzate

Urquijo, alias "Arete," Luis Carlos Aguilar Gallego, alias "El Mugre," Gustavo Adolfo Gutierrez Arrubla, alias "Maxwell," Jose Fernando Posada Fierro, and Jorge Pizano Santamaria from Bogota to Itagui was rescinded. The Council deemed that the transfer of the prisoners to Itagui was highly improper in terms of the policy of the surrender to justice inasmuch as allowing it meant opening the doors for the reunification of the so-called Medellin Cartel.

Once the government had decided not to allow the return of the five prisoners to Medellin, the prosecutor general went after the Security Council. "The inmates have neither the intention nor the means to revert to criminal activities," De Greiff said, adding that "I do not believe in those intelligence reports." The intelligence reports do in fact exist, however, saying precisely the opposite of what the prosecutor general thinks.

During a night inspection in November, INPEC and Police officials discovered a jacuzzi in the maximum security block of La Picota prison where "Arete" and "El Mugre" were caught at 2300 by the officials performing the inspection and whom they tried to bribe. INPEC ordered another inspection a week later and found the prisoners partying. Bottles of liquor and marijuana papers were found in their cells. DIJIN and DAS had also detected a series of calls between La Picota inmates and their contacts in Medellin ordering them to continue their drug trafficking.

It was also learned that some 40 wardens had been forced to resign from INPEC because of threats against their lives. Every time they left the maximum security blocks in Bogota or Medellin, they encountered signs bearing their names saying "You are dead meat!"

As if this were not enough, La Modelo prison security intercepted a letter apparently addressed to "the Pepes" or the Cali Cartel people stating the following: "I want you to know that a guy is kidnapping people and dealing from here. He is doing it along with the guerrilla Francisco Galan and his fiancee. The guerrilla asked all of us to go with a bunch of people to kidnap her. The only one that called a halt to it was Otto and on 20 January, they kidnapped one Tomas Uribe. Jessica was the one who informed Galan in jail."

Permits

At the two-hour-long Security Council meeting on Monday, not only were the intelligence reports analyzed, but a detailed study was made of authorizations issued to private parties by the prosecutor general to visit prisoners in the security blocks of La Picota and La Modelo prisons in Bogota.

The Security Council was struck by the many permits issued to Pablo Escobar's family to visit John Jairo Velasquez Vasquez, alias "Popeye," at La Modelo prison. Escobar's wife visited Popeye five days later. On that same day, she also received authorization to see "Arete" at La Picota. Two days later, the prosecutor general signed an authorization allowing Juan Pablo Escobar to enter La Modelo to meet with Popeye, and Escobar's son visited Arete that same day. On 3 February, the prosecutor general once again issued an authorization allowing Maria Victoria de Escobar to enter the maximum security block at La Picota prison to meet with Arete.

Another authorization that troubled the Security Council members was the one which the prosecutor general issued to Dagoberto Arturo Recio Chavez. On 14 January, the latter appeared at the La Picota administrative office with a permit from the prosecutor general allowing him to visit inmates Jose Fernando Posada Fierro and Jorge Pizano Santamaria in the maximum security section. A subsequent investigation by security organizations established that Recio Chavez is an investigator for the Prosecutor General's Office who gained admittance to La Picota in order to write a report on conditions in the block. It was also discovered that the official from the Prosecutor General's Office had been arrested on 14 February 1985 and charged with forgery. He became inmate number 205593 at Model Prison.

Among the countless permits issued by the prosecutor general is one granted to a former beauty queen for regular visits to Roberto Escobar when he was a patient at the Military Hospital after the letter bomb incident.

Finally, the Security Council took up the matter of prosecutor Cruz Helena Aguilar's meeting with Carlos Mario Alzate Urquijo, Luis Carlos Aguilar, Gustavo Adolfo Gutierrez, and Jose Fernando Posada. It became evident that it was no mere legal proceeding, but a meeting between a representative of the Cali Cartel named Luis Guillermo Angel Restrepo and the Medellin people aimed at clearing up the death of Antioquia Governor Antonio Roldan Betancur.

What the Future Holds

There are those who thought that Julio Fabio Urdinola's presentation on Saturday would be followed by a truce in the war between the government and the Prosecutor General's Office. However, early statements by the prosecutor general and the president made it quite clear that such would not be the case. De Greiff hastened to say he hoped that what had happened would end "the government's hysteria," while Gaviria said Urdinola's surrender was a very good thing to consolidate the policy of surrender, but that it would in no way fix things with the prosecutor general.

Whatever the case, the country can learn several lessons from what has happened. The first of these is that these things occur when legislation is drafted that gives rise to ambiguity, as was the case last year with the Code of Criminal Procedure, a matter on which both the Prosecutor General's Office and the government were in agreement. Ambiguous legislation gives rise to interpretations as contradictory as those now made by both the

Executive Branch and the prosecutor general on standards to be applied in the case of the surrender of the Cali Cartel.

The second great lesson is that in a country that has suffered from drug trafficking for so many years, cooperation between government and legal authorities is not only desirable, but absolutely necessary, however much the prosecutor general may claim that the agency under his tutelage is autonomous and that Colombia has a separation of powers. Article 113 of the 1991 Constitution states that "the different organs of government have separate functions, but will cooperate harmoniously to achieve their goals." If this must be so in any one field, it is in the fight against drug trafficking, where victories have been obtained only when the different organs of government have worked shoulder to shoulder. That is why, in addition to being indispensable, cooperation between the government and the Prosecutor General's Office is vital. Two entities detached from the government: the Police and DAS, must do the work of security and intelligence and the Prosecutor General's Office must use that information and make it judicially useful.

Through INPEC, which falls under the Ministry of Justice, the government must guarantee that those arrested and convicted must go to prison. Other agencies of government are involved in the process, however: the Armed Forces as a whole in the seizure of shipments; the FAC [Colombian Air Force] and Aerocivil with respect to planes used in trafficking; and the Superintendency of Banking and Exchange with respect to drug trafficking money laundering.

For all of these reasons, entrenchment such as that of Gustavo de Greiff with respect to the autonomy of the Prosecutor General's Office can be valid from the legal standpoint, but mistaken in practice. Something similar can be said about cooperation with the government of the United States. However much it may displease many nationalistic Colombians, Washington is Colombia's main partner in the fight against drugs and to break with that country can be as costly as doing so in the commercial or political fields.

Whatever the case, as confirmed by statements made following Urdinola's surrender, the confrontation has apparently reached the point of no return. It is too early to say which of the two camps is ahead in the public opinion polls. The Prosecutor General's Office has lost much of the prestige it enjoyed several months ago, as shown by recent polls. Even so, however, De Greiff continues to enjoy great credibility. If he does not want to lose it, he will have to demonstrate that the business he proposes with the people of Cali is not only good for that city, but right for society. The Prosecutor General's office will have to compile proof and reconstruct solid cases against those newly surrendering. If it does not do so, not only will the prosecutor general and his office lose respectability, but the greatest judicial reform of contemporary Colombia, establishment of the accusatory system, will be on the verge of collapse.

Ecuador

Officials Announce 'Aggressive Mining' Strategy

PA2903175294

[Editorial Report] Quito Voz de los Andes in Spanish at 2300 GMT on 25 March reports that mining officials have announced that Ecuador is preparing to launch an "aggressive mining development" strategy with foreign funds. Santiago Cordovez, president of the Mining Chamber, pointed out that foreign mining companies plan to invest approximately $15 million for exploration in 1994. If successful, plans call for over $20 million to be invested in exploitation by 1995.

Paraguay

Tank Deployment Worries Cerrito Residents

PY2903185294 Asuncion ABC COLOR in Spanish 29 Mar 94 p 10

[Text] The unannounced deployment of tanks and soldiers from the regiments in Cerrito (Chaco) on 28 March caused unrest among Cerrito residents. The troops conducted exercises on 28 March for about two hours near the regimental base.

In this regard, Colonel Carlos Medina Monjagata, the Armed Forces social communications director, reported that the tanks from the "Colonel Felipe Toledo" No. 2 Armored Cavalry Regiment were mobilized within the framework of a training exercise program for new recruits.

He explained that citizens were not informed about the mobilization because it was scheduled to be held in the vicinity of the regiment. He added: "The people are not informed when a two-hour exercise is held. They are informed only when tanks will cross the Paraguay River so that no one is alarmed."

Medina Monjagata stated that normally the recruits participate in two training exercises, the first during the basic training period and the second during the advanced program.

Agriculture Minister, Other Appointments Named

PY2903185594 Asuncion RPC Television Network in Spanish 1600 GMT 29 Mar 94

[Text] Speaking at Government House today, presidential Secretary General Hugo Saguier Caballero announced the appointment of a new agriculture minister and several other government appointments:

[Begin Saguier Caballero recording] Gentlemen, I am here to announce some appointments made by the president a few minutes ago.

First, I would like to announce that the president has accepted the resignation submitted by Agriculture and

Livestock Minister Raul Torres Segovia. Torres will be replaced by Arsenio Vasconcellos Portas, who was the agriculture and livestock vice minister until today.

Second, I would like to report that the president has accepted the resignation submitted by presidential Technical Planning Secretary Angel Vicente Urbieta Ramirez and that he will be replaced by Raul Alberto Cubas Grau.

Moreover, I would like to announce that the presidential private secretary, Captain Omar Maidana Roig, has kindly requested the president to excuse him from exercising his duties as presidential private secretary in order to dedicate himself full time to his duties as the Paraguayan delegate to the Joint Argentine-Paraguayan Parana River Commission. In view of the great priority that his administration gives the construction of the Corpus dam, the president has accepted Capt. Maidana Roig's request and accepted his resignation. [end recording]

Peru

Fujimori's Actions on Shining Path Accord Viewed

PY3003002294 Lima LA REPUBLICA in Spanish 23 Mar 94 p 10

[From the "Farewell to Arms" column by Carlos Tapia: "Peace Accord: And the Government's Voice?"]

[Text] It would seem President Fujimori likes to announce important aspects of the government's counter-subversive strategy when he goes abroad. We have learned from the answers he gave Chilean journalists that the terrorists sentenced to life imprisonment will, under no circumstances, be released and that within the framework of the Peace Accord there will be no negotiated future integration of any subversive organization into the legal political spectrum.

Unless our memory fails us, during a news conference he gave during recent trip to Colombia, Fujimori again denied that any advantage will be granted to the Shining Path members currently in prison and who wanted to hold their Second Congress.

This column has evaluated the Shining Path's internal letters and documents, circulated with the approval of the SIN [National Intelligence Service]. Because these documents acknowledge the achievement of progress within the Peace Accord, a reflection on the president's remarks is required.

His remarks would seem at first glance to be an open and public denial of the progress that has been achieved and the provisos that have been reached between the president's emissary (Agent 002) and the Shining Path leadership in that "... prisoners of war and political prisoners will be released one at a time whether or not they have been sentenced." This is indicated in one of the clauses of the Accord that is being discussed inside the prisons.

The possibility of holding the Second Congress has also been discarded. The document containing the summons for this congress was published in full some weeks ago by LA REPUBLICA.

If this assumption is true, then the Feliciano Group argument, which consider the Peace Accord negotiations to be government "rubbish," are fully strengthened. Thus, the president's remarks scrap the SIN's "psychosocial" maneuver—or at least end it—and therefore the planned objective has been achieved, in other words, the uncovering of the split that occurred within Shining Path.

Another hypothesis could be applied: That the "psychosocial" objective of the president's remarks is to confuse and thereby hide the real intentions and exact content of the negotiations with the imprisoned terrorists. This would not be the first time one thing has been said and the contrary implemented.

In view of the importance, responsibility, and cost to be endured, we believe the topic of peace in the country should be discussed within the sphere of a great national consensus that can overcome daily disagreements between the opposition and the official sector. One condition alone is needed for this: Crystal clarity over what is said and what is done. This is a simple duty that should be taken up by all Peruvians who want a true peace, in other words, eternal peace.

Foreign Minister Visits Malaysia, Seeks Investment

PY3003010594 Lima EL PERUANO in Spanish 23 Mar 94 p A3

[Text] Yesterday, Foreign Minister Efrain Goldenberg Schreiber, president of the Council of Ministers, said that Peru's geographical diversity plus recent changes in investment and commerce laws are important advantages that it can offer investors over other Pacific basin nations. Goldenberg today participated in the first day of sessions of the 10th General Conference of the Pacific Economic Cooperation Council (PECC).

Goldenberg was the first speaker at the conference's opening meeting in Kuala Lumpur, the capital of Malaysia. The conference will continue today with discussions on capital and financial markets in Latin America. Goldenberg will be the main speaker. He stressed that Peru has Amazon and Andean regions and a long Pacific Ocean coastline. He said this is an interesting option for investors.

He met yesterday with government officials present at the conference. He talked with Malaysian Prime Minister Datuk Sri Dr. Mahathir bin Mohamed and with the U.S. Security Council Asian affairs senior adviser with whom he reviewed prospects for regional cooperation, promotion, and investment. Goldenberg also met with

the Indonesian representative. He delivered a Peruvian Government invitation to President Suharto to visit Peru.

During today's session, besides the discussion on capital and financial markets in Latin America, there will be a forum on international commerce that will be presided over by Eduardo Ferrero Costa, a member of the Peruvian delegation and head of the Peruvian National Committee for the Pacific Basin.

Survey Shows Perez de Cuellar Defeating Fujimori

PY2903170694 Lima LA REPUBLICA in Spanish 21 Mar 94 p 11

[Text] The "Apoyo" survey company on 20 March confirmed that President Alberto Fujimori is losing popularity. "Apoyo's" survey results show that Fujimori currently is behind Javier Perez de Cuellar in popularity, as the firm Mercadeo & Opinion reported on 20 March in an article published by LA REPUBLICA in its Sunday magazine.

This time "Apoyo" gives Perez de Cuellar a 44 percent support rating while Fujimori gets 40 percent. Mercadeo & Opinion established that 47 percent of eligible voters would support the former U.N. secretary general while 38 percent would support Fujimori. Fujimori's support rating is the lowest since he was sworn in on 28 July 1990.

The survey by "Apoyo," however, obtains different results when people are asked about the president's performance. A total of 61 percent of those questioned approve Fujimori's performance while only 30 percent disapprove it. This means that many of those who support Fujimori in general terms would choose Perez de Cuellar as the presidential successor despite the fact that the illustrious diplomat is staying away from the electoral infighting and still has not said if he will accept an eventual nomination for the presidency of the Republic.

The "Apoyo" survey also shows other interesting results in regards to other possible candidates who might run against Fujimori if he runs for reelection. Fujimori would defeat Ricardo Belmont 49 percent to 26 percent; Fernando Belaunte Terry, 54 percent to 20 percent; and Luis Caceres, 55 percent to 17 percent. If voters have to choose between several candidates at the same time, Fujimori also will win. "Apoyo" says that in this case Fujimori would obtain 40 percent; Perez de Cuellar, 30 percent; Belmont, 10 percent; and Belaunte, 6 percent.

All this figures were aired on 20 March during the news program "Panorama" broadcast by Channel 5. The data probably will be analyzed and discussed by politicians and the people in general.

Fujimori Support Down

PY3003001494 Lima LA REPUBLICA in Spanish 22 Mar 94 p 6

[Commentary from the "Observer" column by Mirko Lauder: "Tremors on the Lima Fault"]

[Text] Whether it is with 44 percent (in the poll by Apoyo Inc.) or 47 percent (in the poll by M&O) of Lima voters' preferences, the popularity of Javier Perez de Cuellar is beginning to cause a certain degree of perplexity, and not because he might not deserve such percentages, but rather because these figures might reveal something more than simple support for his political figure. Perez de Cuellar appears to embody a growing search for an alternative to Alberto Fujimori.

Yet underneath Perez de Cuellar's growing electoral popularity other things are happening. The most important are perhaps the simultaneous appearances in the M&O poll of Fernando Belaunde, with 16 percent, and Alfonso Barrantes, with 10 percent of voters' preferences, while between 29 and 31 percent of those polled preferred to remain undecided rather than voice support for Fujimori.

Some clear conclusions may be drawn from the latest polls, especially from that of M&O and earlier ones conducted by Imasen. The first is that party figures have improved their standings, but not to the point of being perceived as alternatives. Yet no one should minimize the 16 percent obtained by Belaunde, simply through hard work, province meetings, and statements, with very few televised appearances.

Another lesson is that in a clean election, Javier Perez de Cuellar—if he wants to—would be the next president. The preference of voters in Lima has gone beyond rational estimates, and to this extent it has eroded the argument that his popularity could collapse during a hectic electoral campaign. We are entering ground similar to that held by Fujimori in 1990, or to that of the no-vote in 1993.

Another evident lesson is that Fujimori continues to lose in Lima, which has been his stronghold, and therefore he would also be losing his position as leader in the first round in 1995. Some people claim that Fujimori expected this loss, and that it will be compensated for through votes that will be recovered in key provinces. Yet these provinces still appear to be mobilized against him rather than for him.

The unusual sight of leading foreign and domestic businessmen trading their own as well as state assets is not exciting Peruvian voters. On the contrary, it appears that such trade is perceived only as something that is happening while jobs and salaries continue to decline. No one is associating the expression "social expenses" with the word "job."

Going back to the polls, it is no longer surprising to note that while Fujimori maintains his popularity, the voters'

preference for him has declined. The people want Fujimori to reach 1995, but not 1996. The fact of the matter is that now that the elections are 12 months away, the figures that count now are those concerning voters preferences, not popularity rates.

In other words the electoral campaign is, already in its initial stage, worsening the power vacuum that forced Fujimori into military tutelage. Someone might say that we have already had a military coup. The fear persists, however, that Fujimori may want to use the force of arms to compensate for his loss of popular support. Thirteen days before the second anniversary of the Fujimori-Hermoza coup, this thought can only be worrisome.

Uruguay

Cuba To Begin 'Diplomatic Offensive' in Montevideo

PY3003001894 Madrid EFE in Spanish 1515 GMT 29 Mar 94

[Text] Montevideo, 29 Mar (EFE)—Cuban Foreign Minister Roberto Robaina will begin a diplomatic offensive "seeking to reinsert Cuba into Latin America." The tour will start in Montevideo on 4 April. New Cuban Ambassador to Uruguay Manuel Aguilera de la Paz made this announcement during an interview with EFE.

Robaina will be in Montevideo from the morning of 4 April to the afternoon of 6 April and will meet with the country's main political leaders. Robaina will visit Quito [Ecuador], Lima [Peru], Asuncion [Paraguay], and Buenos Aires [Argentina]. Its "priority is to explain our policies in favor of Latin American integration, which includes economic as well as political integration," Aguilera de la Paz told EFE. During his meetings with Uruguayan politicians, Robaina will discuss the latest Cuban Government measures to legalize private economic activities and his country's willingness to receive investments from Latin American entrepreneurs.

While visiting the Latin American capitals, Robaina will discuss arrangements for the next Ibero-American summit to be held in Cartagena de Indias (Colombia) next June. Aguilera de la Paz said Cuba believes it is important for this summit to reiterate its condemnation of the embargo on trade against Cuba maintained by the United States. The previous Ibero-American summit held in Salvador, Bahia, (Brazil) last year condemned this embargo, but in a very tenuous manner.

The Cuban ambassador added: "Latin American support against the embargo may be becoming stronger. It will foster Cuba's political and economic integration into the hemisphere." He added: "Second, as a bloc, it will exert pressure on the U.S. Government, convincing it that the embargo is an obsolete policy that will lead nowhere."

Uruguayan President Luis Alberto Lacalle will receive the Cuban foreign minister, who will also meet with left-wing leaders from the Broad Front, namely Montevideo Mayor Tabare Vasquez—his party's presidential candidate—and the renowned General Liber Seregni. Aguilera de la Paz pointed out that Robaina will not be able to meet former President Julio Maria Sanguinetti—who is the social democratic Colorado Party's presidential candidate in this year's election—as he will not be in the country at that time.

Robaina's visit to Latin America will be followed by another tour of other countries in the hemisphere, about which he declined to comment. This is part of an overall diplomatic offensive launched by Cuba, which has recently taken the foreign minister to Asia and which will take him to other European nations, including Spain.

Aguilera de la Paz explained that Robaina, 38, "has given greater impetus to Cuban foreign policy" since he assumed the foreign affairs portfolio last year. Aguilera de la Paz, like Robaina, comes from the communist youth. He entered the diplomatic service under the new foreign minister.

Asked if Colombian President Cesar Gaviria's accession to the OAS General Secretariat would favor Cuba's rejoining this organization, Aguilera de la Paz replied that "Cuba is not eager to return to the OAS." He said: "We maintain, to a certain extent, a passive attitude on this issue. We have not asked to rejoin the OAS but we are sure that it will happen although we do not know how long it will take."

Venezuela

Finance Minister Defends Economic Plan

PA2903211194 Caracas Venezolana de Television Network in Spanish 2350 GMT 28 Mar 94

[From "The News" newscast]

[Text] Finance Minister Julio Sosa has described the authors of articles published in the international media as misinformed. These articles have harshly criticized the economic plan that President Rafael Caldera's government plans to implement.

In a document released to the press, Sosa reiterates the government's efforts to deal with the fiscal deficit. Recognition is given to Democratic Action for granting the president special powers in the Special Powers Law. Regarding this law, Sosa said that the government believes it is convenient to include—in addition to the tax laws—the law on concessions for public works and services, reform of the Emergency Law, and limited reform of the Basic Budget Law that would simplify the drawing up and implementation of the nation's budget. The finance minister insisted on the importance of tax reform.

[Begin Sosa recording] That plan obviously includes the overall reform of the state, monetary stabilization, and the reduction of interest rates. But if we are unable to solve the fiscal deficit, we will never be able to control inflation. Without control of inflation, there will be no solution of other matters. Now, if there are some economic experts who have another formula, I have indicated at the end that all observations and contributions made in good faith are welcome. [end recording]

With regard to tax collection, the treasury minister was asked if there would be an extension for filing tax returns as the deadline approaches. There are problems with the payroll lists, through which the forms are distributed. Sosa said he understands that the tax collection authority has agreed to a 30-day extension.

More on Interview With Coup Leader Chavez

PA2903161094 Caracas Venevision Television Network in Spanish 1600 GMT 28 Mar 94

[Second of two parts of "Exclusive" interview with Lieutenant Colonel Hugo Chavez, leader of the 200 Revolutionary Bolivarian Movement, by Carlos Fernandez in Caracas; date not given; from the "Informer" newscast; broadcast in progress—recorded]

[Text] [Fernandez] ...for instance, do you think that what you called a government plan on 4 February 1992 is still valid?

[Chavez] Some components of the plan are still valid; for example, the national constituent assembly. I repeat, we were carrying in our combat bags all the experience gained from the constituent assembly. One of the first measures that a civilian-military government board was going to adopt was to summon a constituent assembly within a reasonable period of time. Currently, this is more valid than ever.

[Fernandez] At times you have indicated that some civilians were going to support you, but we never knew who they were. The purpose of this interview is not to tell us who they were, but do these civilians continue to identify themselves with the Bolivarian Movement in 1994?

[Chavez] I believe that some of them no longer support us. I think that some of them had the wrong impression that the Bolivarian military members were somewhat similar to the military members of 1945, who were manipulated by politicians...

[Fernandez, interrupting] The politics of opportunity.

[Chavez] Exactly, the politics of opportunity. They wanted us to join their political organizations. This was never our intention. I believe that some of them are still following the same direction and ideological strategy. We have kept in contact with them, and we will increase the communication channels now that we are able to do it.

[Fernandez] I think that you are going to reinforce debates; that is, the debate of ideas and specific issues that will help the country solve the socioeconomic and, especially, the moral crises that we are currently facing.

[Chavez] Yes, I agree.

[Fernandez] For instance, without worsening the conflict, you will consult with AD [Democratic Action], Copei [Social Christian Party], MAS [Movement Toward Socialism], Radical Cause Party, National Convergence, and a number of groups that are part of the Venezuelan political arena.

[Chavez] I really do not know how many ideas I have proposed so far and how many questions I answered at the lengthy news conference. All these ideas are proposed with discussion in mind. Not long ago, I met with some deputies of the National Congress, and I told them let us talk. Mr. Moron, a church representative of course, I was thinking about calling him. I once told this government that I did not know if he was going to accept. He replied that he refused to be with God and with the devil at the same time. A few weeks ago, however, we met at the Military Hospital and I asked him what the church's opinion was. I said that priests and recently retired military officials should hold talks. I always say that we are still active in the people's rank and file; I cannot talk about retirement because there is no such thing. We are moving forward with the national situation. In short, this is the idea: to reveal our plans to ensure that we can discuss or criticize them and reach a national consensus.

[Fernandez] Let us close this interview with a thought. Chavez must have listened, read, and examined a number of assessments that have emerged in the media in the last few weeks. Suddenly, the instability prompted by a coup is returning. Copei President Hilarion Cardozo sparked a controversy surrounding this issue. He said that there were individuals involved in the 27 February or 4 November coups who were probably hitting the streets to promote their insurrectionist movement. He also accused certain parties of performing illegal actions in our country and of being involved with the Bolivarian Movement. What do you think about this? What is this issue that has been manipulated lately that is once more bringing instability to our country?

[Chavez] I indeed believe that the country's situation is still unstable. Let us hope that the Caldera government and team will be able to infuse acceptable levels of stability to the national, economic, military, political, and social country.

[Fernandez] Are you going to contribute to this?

[Chavez] We want to talk and make proposals. In my briefcase, I carry a number of proposals that, as a soldier, I wanted to make to the commander in chief, but it was impossible.

[Fernandez] When are you meeting with the commander in chief; that is, with the president?

[Chavez] It is unknown for the time being. We were supposed to hold a meeting before my release, but we could not meet. We now have to wait and see how the situation develops. We are indeed willing to meet and we have the channels to recommend to the president and to the Armed Forces, from which we came from, some measures that we believe could contribute to the recovery of the [word indistinct].

[Fernandez] What about Hilarion's coup?

[Chavez] Coups d'etat are unannounced in Latin America. It is not that they are justifiable, but they are always the product of a situation. I believe that at this moment—I was telling Jose Vicente that I cannot predict the future—there are no conditions to stage a coup.

[Fernandez] If I remember well, in [Interior Minister] Ramon Escovar Salom's speech to the National Congress two weeks ago, there was a reference to latent subversive factors that could conspire against democratic stability because we have a very fragile stability. There was much talk about groups linked to the Venezuelan financial sector because the Banco Latino crisis could inspire some people in the military ranks to embrace an insurgency movement.

[Chavez] I do not think this is possible. I mean, it is possible that the wish is there.

[Fernandez] Of course, some sectors are wishing this.

[Chavez] No, these sectors are definitely wishing. I believe the military is currently tasked with finding an internal consolidation to show the political world and the Venezuelan nation how it is willing to defend the Constitution and to grant a waiting period hoping that the country, Mr. Caldera, will embark on a new era and that you will be the steering wheel that will lead the vessel to a safe haven.

Roundup of Economic Developments

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[Editorial Report] The following is a compilation of reports on Venezuelan economic developments monitored through 29 March.

The possibility that the U.S. Federal Reserve may tighten its monetary policies and increase interest rates in the short term once again made the prices of Venezuelan foreign debt bonds decrease to the same level reached on 27 November 1992, a coup day. Chemical Bank reports indicate that the price of foreign debt bonds fell by four points and closed at 53.50 points. There is also a possibility that U.S. T-bills, whose profitability registered 6.97 percent, will continue to decrease. On 21 March, all these scenarios combined made the Caracas Stock Exchange index lose 3.6 percent and close at 24,654.82 points, which is a level similar to that reached on 16 August 1992. (Caracas EL NACIONAL in Spanish 22 Mar 94 p E-1)

The Central Bank of Venezuela, BCV, is offering a record amount of 50 billion bolivares worth of zero-coupon bonds. About 40 billion bolivares will mature in 90 days, and the remaining 10 billion bolivares will mature in 182 days. The 90-day-zero-coupon bonds registered a 52.13 percent return-on-equity, ROE, rate, which in turn will make fluctuating interest rates increase. (Caracas EL REPORTE DE LA ECONOMIA in Spanish 23 Mar 94 p 9)

Ferrominera Orinoco and Edelca, subsidiaries of the Venezuelan Guayana Corporation, CVG, will not be included in the privatization process that the Executive Branch is promoting. CVG President Francisco Layrisse said Caroni Aluminum Inc. is the only subsidiary that in six months, at the latest, will sell 55 percent of its stock to private companies. As for Ferrominera Orinoco, the private sector will only have access to invest in the iron transformation process. Ferrominera Orinoco President Andres Caleca said the law stipulates that only the state has the right to tap iron. (Caracas Venezolana de Television Network in Spanish 1550 GMT 23 Mar 94)

The BCV's Board of Directors has decided to modify the mechanisms that control interest rates on loans. For instance, it decreased the ceiling rate that banks can charge with fluctuating interest rates from 20 to 15 points above the ROE rate on zero-coupon bonds. It is worth mentioning that the six largest banks currently charge an average fluctuating interest rate of 63.8 percent. (Caracas EL UNIVERSAL in Spanish 24 Mar 94 p 1-1)

The European Union's Nomenclature Committee recently decided to categorize Orimulsion as a bituminous substance. This decision opens new opportunities to sell larger amounts of this type of fuel to world markets. Frank Alcock, Venezuela Petroleum, Petroven, acting president, appeared before the Senate's Energy and Mines Commission and said that this new category for Orimulsion will prevent a reduction of its competitive edge in the Old Continent. The Council on Customs Affairs will issue its final ruling on Orimulsion on 4 April. Orimulsion exports amounted to 721,000 tons in 1992 and 2.79 million tons in 1993. (Caracas EL NACIONAL in Spanish 24 Mar 94 p E-6)

On 23 March, Petroven Acting President Fred Alcock said Petroven will reduce expenses in 1994 by an additional 6 billion bolivares. He added that this reduction will bring to the treasury additional revenues amounting to 26 billion bolivares. Alcock appeared before the Senate's Energy and Mines Commission to explain Petroven's business plan. He also said that Venezuela will continue to sell gasoline to the United States. (Caracas EL DIARIO DE CARACAS in Spanish 24 Mar 94 p 16)

The U.S. Federal Reserve's decision to increase interest rates has landed a heavy blow on the already vulnerable Venezuelan economy because the price of its foreign debt bonds will drop. This means, however, that the risk

to investment could fall, which in turn could attract more capital to the country. In short, the loss generated by lower prices on foreign debt bonds could be compensated by reinvesting said bonds on securities with higher interest rates as long as the bonds mature in the short term. (Caracas EL REPORTE DE LA ECONOMIA in Spanish 24 Mar 94 p 8)

Carlos Pulido Salvatierra, Association of Venezuelan Exporters president, said nontraditional Venezuelan exports to Colombia amounted to $500 million during the first quarter of 1994. He added that it is expected that said exports will amount to almost $2 billion in 1994, which is 40 percent higher than in 1993. (Hamburg DPA in Spanish 2038 GMT 25 Mar 94)

The Finance Ministry estimates that the 1995 budget will amount to 1.7 trillion bolivares and that gasoline prices will increase in 1995. Finance Minister Julio Sosa Rodriguez said the mass transit system may receive additional subsidies in 1995. Jorge Serrano, vice president of the Venezuelan Federation of Associations and Chambers of Commerce and Industry, Fedecamaras, underscored that gasoline prices must drastically change because gasoline receives 40 billion bolivares worth of subsidies annually. The Fedecamaras believes that the price of high-octane gasoline must increase. (Caracas Venezolana de Television Network in Spanish 2350 GMT 25 Mar 94)

New Petroven Director Luis Giusti has said Petroven reduced its investment costs by $4 billion due to drops in hydrocarbon prices. He added that Petroven reduced other expenses by $3 billion. Giusti pointed out that there is an international consensus on the opening of the national oil industry to private capital and that oil prices will not recover soon. (Mexico City NOTIMEX in Spanish 0118 GMT 29 Mar 94)